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FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Angolan dispute: fighting spreads

Serious fighting between Angola's two largest Nationalist movements continued yesterday in the capital of Luanda. There was also shooting at Salazar, 150 miles east of the capital.

In the fighting—it flared again last Wednesday following a three-week respite—the Zaire-based, Western-orientated Front For The Liberation of Angola has lost much ground to its main rival, the semi-Marxist Popular Movement for the Liberation of Angola.

Last night it remained uncertain whether Major Melo Antunes, Portuguese Foreign Minister, who arrived in Luanda on Sunday night, had any chance of saving the country from civil war.

In Lisbon, Portugal's Supreme Revolutionary Council met again yesterday to hammer out a unified line in response to the Popular Democratic Party's ultimatum setting out its conditions for remaining in the crisis-ridden fourth coalition Government. Back Page. Editorial Comment, Page 16.

MPs rally to Reg Prentice

Right-wing and Centre Labour MPs are organising support for Mr. Reg Prentice, Minister for Overseas Development, as he tries to fight off attempts to deprive him of his Parliamentary seat of Newham, North East. They are to write to constituency officials urging them not to act on the demands for Mr. Prentice's removal because, they say, it would be a blow to the unity of the Labour movement. Page 7

Labour keeps to industrial policy

All the controversial proposals in the Labour Party's draft statement on industrial policy—including greater powers for Government intervention—remained intact after the Party's home policy committee met last night despite the misgivings of moderate Ministers. The document is to go before the Party's National Executive Committee to-morrow week for approval. Page 7

India bars FT correspondent

The Government of India declared Kevin Rafferty, Financial Times Asia Correspondent, undesirable and barred him from entering the country. After arriving at New Delhi from Katmandu in Nepal, Mr. Rafferty was due to fly on to Karachi this morning. Mrs. Gandhi's appeal, Page 5

Trounced

Australia trounced England in the first Test at Edgbaston by an innings and 85 runs. "*It was not so much a defeat as a well-organised massacre of the innocents,*" writes Trevor Bailey. Page 25

Fall-out the bun

After more than 50 years of faithful service the Naafi bun, known to troops at a wad, retired from the British Army of the Rhine yesterday. It will be replaced by civilian fare.

Briefly . . .

Mr. John Stonehouse, Labour MP for Walsall North and his secretary, Mrs. Sheila Buckley, are due to appear at Bow Street Court immediately after their scheduled arrival from Australia on Friday morning.

Wreckage, believed to be remains of a Spitfire, Flying Fortress and Dakota, was reported on Dengie Flats, Essex, by fishermen yesterday.

Grass cutting on motorways and trunk roads is to be abandoned by the Environment Department, saving £1m. in the first year.

Floods hit many areas of Britain yesterday after heavy rain and storms.

BUSINESS

Equities falter: £ loses 80 points

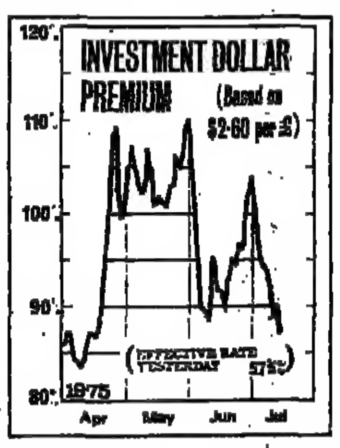
● EQUITIES faltered after announcement of the June trade figures. FT 30-share index fell 8.1 to 305.5, a loss of 22.1 over the past three trading days. Gold Mines Index rose 3.0 to 370.8.

● GILTS gained by up to ½. Government Securities Index moved 0.38 ahead to 60.51.

● GOLD rose $1 to $166½.

● STERLING was down 80 points at $2.1925. Weighted average depreciation was 27 per cent. (26.9). Dollar's improved to 4.80 per cent. (4.89).

● INVESTMENT dollar premium closed 3½ points down at 87 per cent. lowest since



April 16. Conversion factor 0.6286 (0.6214).

● WALL STREET closed up 4.77 at 873.86, on 21.9m. (32.2m.) shares turnover.

● EUROCURRENCY medium-term loans totalling over $1.3bn. are expected to be finalised for Middle East and North African borrowers this summer. Page 20

EEC reimposes textile duty

● EEC countries are to reimpose duties on imports of certain textiles from Portugal, a main low-cost supplier, because of the disruption being caused in some markets, particularly Britain. Back Page

● NATIONALISED industry chairmen will be held responsible for not exceeding the £6 pay-rise limit in negotiations with workers. Back Page

● CBI LEADERS urged the Prime Minister to set up a new organisation within the Employment Department to monitor pay claims, intended settlements and wage agreements. Back Page

● NUR PRESIDENT Mr. Dave Bowman urged qualified acceptance of the Government's anti-inflation policy, providing it is a "one-off" exercise lasting no longer than a year. Page 14

● Birmingham Post is cutting publication by one day a week, with redundancies. Page 7

● NORWAY Government has bought industrial and shipbuilding shares worth £15.8m. from Norwegian shipowner Hilmar Reksten. Page 20

COMPANIES

● CARBORUNDUM executives meet this week to review offers for Spode, the company's U.K. fine-china subsidiary. Back Page and Feature Page 16

● ROTHSCHILD Investment Trust pre-tax revenue rose by £0.5m. to £3.02m. for year ended March 31. Page 18 and Lex

● SLATER WALKER proposes to reduce its loan stocks by some £14m. Page 18 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treasury 12½% 1993	£90¼	+ ½
Electric 3½% 1976-79	£79¼	+ ¼
Lovell (G. F.)	22	+ 9
Martin (T.)	45	+ 3
Metoy	24	+ 3
Reed Executive	39	+ 3½
Beralt Tin	13	+ 2½
De Beers Dfd.	324	+ 7
Deelkraal	400	+ 15
Pres. Steyn	£17¾	+ 1
Sea Diamonds	28	+ 13
FALLS		
Ass. Dairies	132	− 8
Billon (P.)	123	− 7
Coats	187	− 7
Bowater	137	− 5
British Home Stores	278	− 7
E.R.F.	25xd	− 4
Eagle Star	112	− 6

Fisons	332	− 13
Empire Stores	85	− 9
GUS "A"	143	− 11
GKN	215	− 9
Hawker Siddeley	256	− 10
ICI	256	− 10
Johnson Matthey	270	− 8
Ladbroke	141	− 10
Land Secs.	172	− 8
MEPC	103	− 8
Mothercare	148	− 6
Natl. Carbonising	40	− 4
Pilkington	300	− 9
Racal Electronic	289	− 14
Smith (W. H.) "A"	308	− 22
Smiths Inds.	96	− 7
Tate & Lyle	216	− 10
Thorn Elect.	150	− 6
Wearra Shoes	9	− 3
Charter Cons.	182	− 7
Pancontinental	460	− 30
RTZ	183	− 9

Half-year trade gap cut to £458m.

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

ALTHOUGH there was a deterioration in the U.K.'s balance of payments figures between May and June, the deficit on current account has *improved dramatically from* £1.9bn. in the second half of 1974 to only £458m. in the first six months of this year.

A 9 per cent. drop in exports during June was the main factor behind a *move back from* a current account surplus of £104m. in May to a deficit of £49m.

While partly reflecting tougher world trade conditions, the June export reduction was principally attributable to the fact that the previous month's figure had been artificially inflated when goods earlier delayed by the London dock strike were finally shipped.

Coming on a day when the Government's incomes policy measures were still being closely assessed on the foreign exchange market, the June trade figures had little effect either way on sterling.

Although the trade-weighted depreciation of the pound weakened from 26.9 per cent. on Friday to 27.2 per cent. at yesterday's opening, it recovered a *little to close at 27.0 per cent.* below December 1971 levels.

In the foreign exchange market relief anti-inflation measures are being taken, modified to some extent by a feeling that they could have had more teeth.

There appears to be a general willingness to give the Government a chance to make them work, and the 27.2 per cent. at which sterling *closed* yesterday should be seen in the light of the 28.9 per cent. depreciation reached on June 30, before the announcement that a package was coming.

The foreign exchange market was relatively quiet yesterday, and there was no question of any need for the Bank of England *to support sterling.*

One of the problems concerning the U.K. authorities now is the possibility that the foreign exchange market may come to expect "too much" from the trade figures in the coming months.

Even the turn-round between May and June has left the overall *balance of payments picture* looking much healthier than Whitehall officials believe is really is.

A continuation of the trend during the first half of this year — when the current deficit has averaged roughly £75m. a month — would mean a deficit for the full year in the region of £1bn., *compared* to the expectation of not much less than £2.8bn. which is understood to be the official forecast.

It is maintained that in addition to the effect of the U.K. recession on imports—mainly through a sharp rundown in industry's stocks—some special *factors* have been working in the U.K's favour during the first half-year.

The most significant of these is said to be the very marked reduction in crude oil imports; down from an average of 8m. tons in December-February to 6.5m. tons in March-June.

This is a drop of 19 per cent. and is expected to be followed by a marked recovery, particularly if there is anticipation of further oil price increases.

The other item expected to lift the trade deficit in the next six months is also on the oil side. The importation of North Sea oil rigs and equipment scheduled for the coming months could add over £300m. to the import bill.

This said, however, there are likely to be observers outside Whitehall who think the Government is still painting an unduly gloomy picture of the prospect for the balance of payments in the coming months. The debate is of great relevance to the Government's financing problems because the more the borrowing *requirement is financed* from overseas sources, the less the domestic financing difficulties will be.

Two of the features of the trade figures so far this year have been first, that U.K. exports volume appears to have fallen less than world trade as a whole and secondly, that exports to the OPEC countries have been doing much better, with the average monthly value of shipments to this area running nearly 40 per cent. higher in the four months ended June (a period which irons out the effects of the dock strike) than in the three months ended February.

Exports to North America fell 8 per cent. over this period. *Shipments to the EEC rose 3* per cent. in value, but those to other West European countries dropped 5½ per cent.

Shipments of machinery rose 9½ per cent. and of road motor vehicles and other transport equipment 13 per cent.—a third of which increase in each case reflected higher volume.

Compared with a 7 per cent. reduction in the volume of imports over this period, the volume of the U.K.'s exports fell by only 3½ per cent.

The trade picture also benefited from an improvement in the terms of trade—the ratio of average export prices to average import prices. With a 5½ per cent. rise in the former and only a 1 per cent. increase in the latter, the terms of trade index went up 4 per cent.—from 77.0 to 80.2 (1970=100).

Editorial comment, Page 16

Shareholders shout down Lord Stokes

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

AMID scences of extraordinary uproar—and after an admission that British Leyland is still making "substantial" losses—shareholders voted by a majority of four to one yesterday to accept the Government's proposals for reconstructing the company.

Meanwhile the Government announced last night that it is to extend its 10p cash offer to shareholders, due to have closed at 3 p.m. yesterday, until July 24.

But despite this the small shareholders who kept up a constant barrage of heckling throughout the five-hour meeting, made it clear that they would continue to fight the Scheme of Arrangement (which authorises the reconstruction) through the courts.

The meeting gave a very rough ride to Lord Stokes, the British Leyland chairman, who was addressing shareholders on what he called a "very sad" day for himself. On a number of occasions he was shouted down, and at one point the leaders of the British (Leyland) Shareholders' Association invaded the platform and took over his microphone.

Only two speakers from the *floor spoke in favour* of the Scheme of Arrangement with any degree of warmth for the present Board, and Mr. Pat Lowry, the labour relations director, was virtually prevented from addressing the meeting by the sheer volume of hostile noise.

It took Mr. Jim Slater, chairman of Slater Walker Securities and a member of the Board, to quieten shareholders with his advice, as a man "who knows about finance," that they should accept the offer.

Even he came in for opposition: "If he knows so much about finance, why did he buy 275,000 shares?" shouted one shareholder.

Unresolved

At the end of the meeting the major questions of who becomes the new non-executive chairman of the company and the position of Lord Stokes remained unresolved. It is believed that Sir Don Ryder, the Government's industrial adviser who prepared the report on British Leyland, has now found someone to take on the chairmanship, and an announcement may be imminent.

As for Lord Stokes, he again refused to say yesterday whether he will accept the offer of becoming honorary president. He may well remain with the company for a few more weeks in any case, before the details of the legal transfer of shareholding control are finalised in the Court of Chancery on July 28.

The same may be true for Mr. John Barber, the departing managing director, who sat with the rest of the Board at the meeting.

Lord Stokes fought through the uproar with a defence of the Board which once again presented the company as a victim of external circumstance. The combination of world recession and inflation had bit all motor manufacturers, but whereas Continental rivals such as Volkswagen had the financial reserves to ride out their losses, BL had nothing to fall back on but the Government, he said.

A number of alternatives had been discussed, including hiving off operations, links with overseas interests and a better deal from the Government. But the Government was adamant on its 10p-a-share offer, and with the corporation still making "substantial losses" there was no alternative to the present scheme.

Lord Stokes met particularly bitter questions on the subjects of the management share incentive scheme and golden handshakes to directors.

Under the Ryder proposals the share incentive scheme is cancelled, *participants losing their* deposits, but not required to pay the balance, a point which angered some shareholders.

The climax to yesterday's meeting came when the rebel shareholders tried to push through an addendum to the Scheme of Arrangement which would accept the Government's proposals, *including the 10p a* share offer, but also ask for another 15p in a free issue of shares.

The Board refused to support the amendment on the grounds that the Industry Secretary had said that he thought the offer was a fair one, and would not offer more. Without the Industry Secretary's support the Court of Chancery would not be able to pass the scheme, said BL's legal adviser.

That being so, Lord Stokes cast the proxy votes which had favoured the scheme against the amendment, giving approximate figures of 236.9m. votes against, and 4.2m. votes for.

In the voting on the Scheme of Arrangement in which precise figures are not yet available, approximately 80 per cent. of individual shareholders voted in favour of the scheme, representing some 90 per cent. of the votes cast. Rebel shareholders intend to fight the case in Chancery on the grounds that the proxies should not have been cast against an amendment unseen by the proxy voters.

If the Court does give approval the new company will become operative on August 11.

Photograph Back Page

Increase in wholesale prices slows to 0.8% in June

BY MICHAEL BLANDEN

AVERAGE WHOLESALE prices rose by only 0.8 per cent. in June to a level 24.8 per cent. higher than a year earlier, according to the latest figures from the Department of Industry.

After the 2½ per cent. jump in *May, brought about largely by* the Budget tax increases, the wholesale price statistics suggest a marked slackening of the inflationary pressure on manufacturers' prices, helped by the recent falls in some commodity prices.

Once the Budget rises have worked through to retail prices—the June retail price index is due to be announced on Friday—it therefore seems likely there could be some easing of the upward trend in that index.

However, recent wage settlements have indicated that there is still a good deal of inflation in the system to be reflected in prices before it is possible for the Government's new anti-inflationary initiative to start making an impact.

The price index of output of *manufactured products for home* sales (1970=100) is provisionally put at 188.8 in June, compared with 187.3 in the previous month. The rise last month compares with a jump of 2.6 per cent. in *May, mainly as a result of the*

WHOLESALE PRICES 1970=100		Output prices (home sales)	Material prices
1972		114.8	109.2
1973		123.2	144.5
1974		152.0	215.3
1974	3rd	156.1	212.9
	4th	164.9	222.1
1975	1st	176.0	220.9
	2nd (p)	186.2	225.4
1975	March	179.2	221.9
	April	182.5	222.9
	May (p)	187.3	225.8
	June (p)	188.8	227.5

(p) Provisional

Budget increases in revenue duty on tobacco and alcohol.

Excluding the impact of these tax changes the index over the second quarter as a whole increased by only about half the 7 per cent. rise evident in the first quarter.

On the input side, the figures continue to show a considerable *easing of the pressure on indus*try, with the price index of materials and fuel purchased by manufacturers at 227.5 rising less than 0.8 per cent. on the month and only 7.5 per cent. compared with a *year earlier.*

These figures again underline the extent to which domestically-generated inflationary pressures have taken over from increased import prices as the main impetus in pushing up the U.K. cost of living.

Breaking down the increase in output prices, the index for manufactured goods, apart from the food, drink and tobacco sector, rose by less than 1 per cent. for the second successive month. The increases are from a wide range of small price increases, with no individual sector making a significant contribution.

A similar rise of 0.7 per cent. in the provisional index for output prices of the food manufacturing industries was mainly due to higher prices for bacon-curing and meat products. This was the third successive month in which the index for this sector rose by less than 1 per cent.

With no changes in the prices of fuels, the rise in the input price index was due solely to increased prices of raw materials. The cost of imports rose *mainly* as a result of the further decline in the external value of the pound in a month when the pound's average depreciation from December 1971 levels widened from 24.7 per cent. to 28.9 per cent.

This was to some extent offset by substantial falls in the prices of pig-lead, jute, sisal and palm oil. A rise of ½ per cent. to 187.6 in the index for materials and fuel bought by the food manufacturing industries was mainly due to higher prices for tea and home-grown potatoes.

A fall in the price of imported wheat offset higher prices for some other imported and home-produced commodities.

Shopworkers back policy, Page 14

Price rise applications refused, Page 7

£ in New York

—	July 14	Previous
Spot	$2.1905-1965	$2.1980-1980
1 month	0.55-0.48 dis	0.42-0.38 dis
3 months	1.46-1.40 dis	1.45-1.35 dis
12 months	6.60-6.55 dis	6.55-6.45 dis

'Green pound' devaluation likely

BY ROBIN REEVES

BRUSSELS, July 14.

FRESH INCREASES in U.K. *food prices could stem from next* week's meeting of the EEC Council of Agricultural Ministers at which Mr. Fred Peart is now expected to offer to "devalue the green pound" in order to boost British farmers' returns.

Devaluing the "green pound," the sterling value used for EEC agricultural trade purposes, has the practical effect of raising official agricultural prices to British (and Irish) farmers and increasing the cost of food imports by cutting EEC subsidies. These are running at more than £15m. a month.

A definite go-ahead must await British Cabinet discussions this week, which will be overshadowed inevitably by the *Government's new anti-inflation* strategy. Indeed, the move could founder as a result of opposition from Mr. Denis Healey, the Chancellor of the Exchequer, and other Ministers concerned at the impact it may have on the tense atmosphere surrounding the new incomes policy package.

However, it is clear from reports reaching here that Mr. Peart, the Minister for Agriculture and Food, has now fully accepted—and is pressing—the case for an early boost in prices to U.K. farmers, who are now suffering up to a 20 per cent. disadvantage in their guarantees compared with those to farmers elsewhere in the EEC because of the downward float of sterling.

The most the Cabinet can be expected to accept is a 10 per cent. "green pound" devaluation which would have the effect of lifting U.K. farm guarantees by the same amount—though not necessarily farmers' incomes.

Applied all at once, the impact on U.K. consumers could be a rise of up to a 2 per cent. in the cost of living. However, Mr. *Peart may ask for the impact* on individual commodities to be staggered over the coming months—as Italy has done in the past—and also consumers could be partly insulated by an increase in consumer food subsidies.

Mr. Peart is believed to be most concerned at the position *of milk producers, but other* sectors of farming also stand to benefit from the move. In the case of beef, the devaluation will have the effect of raising the sterling value of the variable slaughter premiums and perhaps make the selling of beef into intervention in Britain less attractive. Again, a British beef *mountain—and some beef* has started to go into intervention—would not be helpful to the anti-inflation offensive.

The system was introduced to offset the effects of currency instability, including the downward float of the pound, on common farm price levels in the EEC. In order to maintain the semblance of a common market in farm products common prices are still fixed in Brussels each year in the Community's notional currency units of account.

Parliament, Page 13; Commodities, Page 7

FEATURES

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LOMBARD

City's hot money 'success' story

BY C. GORDON TETHER

THE ANNUAL report of the Invisible Exports Committee, the publicity arm of the City Lobby, tells with obvious pride of the success London has had in establishing itself as the principal repository for the vast cash surpluses of the Middle East oil producers—with four times as much hot money in the bag in 1974 as New York.

Not surprisingly, it does not ask whether it was a good thing for the country—as distinct from financial institutions—for the City to be providing a sink for highly volatile funds that some other centres are turning away for reasons they see as compelling. Yet the fact that there is a very close connection between London's international monetary involvements and the course of Britain's latest economic disaster suggests that it is high time we all devoted more attention to this aspect of the country's economic life—asking, in particular, whether there are not some forms of invisible earnings that are very dearly bought.

The Invisibles Committee's pronouncements invariably start from the assumption that the more successful the City is in augmenting its stake in international financial traffic, the better it must be for everyone. In this way and by continually contrasting the substantial surplus in the invisibles sector with the adverse visible balance, it fosters the impression that the City's work consitutes an unmixed blessing for Britain—so much so that it would be little short of sacrilegious even to entertain the thought that it could be making its own contribution to the country's economic malaise.

The key part played by London's involvement in international hot money in both the build-up of the latest economic crisis and its culmination provides yet another reminder that this is an unsatisfactory state of affairs.

The first point to notice is that the "success" the City has had in attracting the liquid funds of the oil countries is far from being entirely attributable to London's superior appeal. Two other important factors have also been at work.

One is the reluctance of the oil-producers to entrust their money to American banks in view of Washington's frequent hints that any move to deny the U.S. full access to fuel supplies would invite retaliatory action of an extremely painful kind. The other is the determination of other advanced countries to maintain stringent curbs on the amount of money entering their financial centres — a policy clearly rooted in the belief that such traffic can be far more trouble than it is worth.

It is thus not going too far to say that London has been operating to an increasing extent as a kind of sink for international "foot-loose" money. In so doing it has obviously been providing a service to the rest of the world. What is less evident is that a cost-benefit analysis would show that this further extension of Britain's involvement in hot money traffic has been in the best interests of the U.K. itself.

It has long been arguable that the compartively modest contribution which foreign exchange earnings from such traffic makes to strengthening the balance of payments provides quite inadequate compensation for the disadvantages these involvements incur. Which is why so many strong currency countries prefer to turn such business away. The British economic story for the past year provides a graphic illustration of just how far-reaching those disadvantages can be in the case of weak currency countries like our own.

It will not have been forgotten that the Chancellor of the Exchequer repeatedly cited the City's successful efforts to mobilise hot money for covering the payments gap as justifying the "relaxed attitude" the Government insisted on adopting towards the economic crisis until disaster was actually staring it in the face. And the part played by hot money involvements in determining the timing and form of the climax to the crisis has evidently been no less important than that which it played in the build-up. For it is no secret that it was the plunge in the £ triggered off by hot money outflows that stampeded Whitehall into producing what is manifestly a stop-gap package of correctives.

It is of no use the City insisting that the international banker business would not play this malevolent part in Britain's economic life if the politicians did not exploit it for the wrong purposes. Experience indicates that so long as the opportunity is there, this is precisely what they will do. And that is not the only reason why we should cease being discouraged from taking a good look at the implications of the City's role by the size of the invisible surplus.

Remembering the extent to which the repercussions of hot money turbulence have contributed to Britain's disastrous stop-go progression over the past two decades, it can be argued that there is very close connection between that surplus and our addiction to chronic deficit in the visible payments field.

SALEROOM — BY ANTONY THORNCROFT

Record £19,500 for a goblet

ALL THE leading London sale rooms could feel pleased with themselves yesterday. Sotheby's sold a rare armorial glass goblet for £19,500; a new world record for a piece of glass. Christie's established a record for a Persian pencase of £8,925; and Phillip's achieved the highest price for a picture in its two hundred year history when a work of the 17th century Dutch artist Berckhyde was bought for £30,000.

The fourth major saleroom, Bonhams, made news by reducing its commission to vendors from 12½ per cent. to 7 per cent. the lowest among the Big Four. At the same time, like Sotheby's and Christie's, it is introducing a buyers commission of 10 per cent., including VAT, which makes it an effective charge of 9½ per cent.

The goblet was the star item at Sotheby's in a glass sale which totalled £78,419. It is one of only three Royal Goblets inscribed with the name of William Beilby Jnr., and was probably made and enamelled to commemorate the birth, in 1762, of George III's eldest son, later Georve IV.

Bearing the Royal Arms the goblet was estimated at £7,000-£10,000, and was bought by the Cinzano Museum, a collection of glass based in London. The curator, Mr. Peter Lazarus, said after the sale "One of the main reasons we bought it was so that it would not leave the country."

The previous highest price for an item of glass was the £19,000 paid at Sotheby's in 1967 for a 12th-century German beaker. The next best price in yesterday's sale was the £7,500, from Zietz, for a 16th-century Venetian "calcedonio" footed bowl, estimated at £3,000-£5,000.

Bronzes

Sotheby's also established some extraordinarily high prices in a sale of antiquities, which totalled £179,588. The highest price was the £11,000 paid by Mansaur for an Islamic pottery ewer of the 13th-century while an early Islamic pale green glass bowl of the 5th-8th-centuries was bought for £8,500. But the biggest surprises were among the Luristan bronzes. A horse's-bit from the 8th-7th centuries BC went for £8,000 (against the £1,500-£2,000 forecast) while a bronze axehead of the first millenium BC was sold for £5,500, as against a £800 estimate.

The Phillips record price for a picture of £30,000 was achieved with a view of a Germany town by Berckeyde, an artist from Haarlem who specialised in townscapes. It is dated 1671, was forecast at £8,000-£12,000, and was bought by the Shickman Gallery of New York. It was part of a very encouraging picture sale which totalled £125,225.

The shift in the world's buying power from the Far East to the Middle East was nicely illustrated at Christie's where a sale of Persian and Islamic works of art did exceptionally well while Chinese jades and snuff boxes performed more modestly.

The numerous Iranian and other Middle Eastern buyers present were prepared to pay astonishingly high prices for items that fetched just a few pounds in the recent past. In particular a 19th-century Persian lacquer qualamdan, or pen case, painted with European scenes, was sold to Atighetchi, a dealer from Tehran, for £8,925, a record. The price was five times the presale estimate and three times the previous best paid in London for a qualamdan. A few years ago such pencases might have been bought for around £30.

In contrast there was a disappointment at the Chinese sale where, despite the presence of many Japanese dealers, the most highly regarded lot, a large mottled pale green jade koro and domed cover was bought in at £7,350. However, the same price, paid by the Hong Kong dealer Chan, secured a mottled emerald jade vase, and a Mogul white jade broad globular jar, dating from the 18th-century and belonging to Lord Barnard, was sold to a private buyer for £5,040.

RACING — BY DOMINIC WIGAN

'Queen' can win for Eddery

QUEEN OF THE SOUTH, who has not been out of the frame in five attempts this season, put up easily her best effort to date when landing the mile Stewards Handicap at Haydock ten days' ago. I cannot see her failing to follow-up in to-day's Elm Handicap over the same distance at Kempton.

Sent into the lead a quarter of a mile from home in that Haydock event, Queen of the South, a bay daughter of the American stallion Gallant Man, found no difficulty in holding off the smart Pall Mall colt Pipes and Drums by two lengths, with the remainder of the field, headed by Grand Hope, well beaten.

A reproduction of that running ought to enable the leniently treated Queen of the South, who is almost certainly still on the upgrade, to give Pat Eddery yet another winner in his bid to retain the jockeys' championship.

Another jockey enjoying a good spell is the 1972 and 1973 champion, Willie Carson, who may be able to maintain his scoring rate on the lightly raced *Silage* in the Oak Handicap (4.0).

Fulke Johnson Houghton's

KEMPTON
2.00—Maidenform
2.30—Tornado Prince
3.00—Queen of the South**
3.30—Durbar
4.00—Silage***
4.30—Pannini

LEICESTER
7.10—Unicorns Fancy
7.35—Blue Baron
8.05—Cache Cache
8.35—Levandia
9.05—Star of Bagdad*

powerfully-made half-brother by Hopeful Venture to Hayloft ran by far his best race to date when defeating Hard Day, to whom he was giving 7 lb, by three lengths in the 1¼ mile Knightsbridge Stakes at Windsor on June 30.

The runner-up paid a compliment to that form with a comfortably-gained Chester success on Saturday. I shall be surprised if Silage, who may have further improvement in him, cannot take this 1¼-mile event with only 7 stone 13 lb.

If Silage does fail to follow up, Lester Piggott's mount Midsummer Lad will probably be the cause. Ben Hanbury's strongly-made grey, who has been maintaining smart form throughout the season—finishing either first or second in his last six races—did well to beat Only a Monkey by half a length on level terms at Windsor on his last appearance and he is not harshly treated with 9-stone.

After their afternoon stint at Kempton, Carson and Eddery fly up to Leicester, where both may have a winner. I expect Carson to land the Cardinal Wolsey Handicap with *Unicorns Fancy*, an easy winner from Wong Way Girl at Salisbury a fortnight ago.

Eddery should have a few problems on *Star of Bagdad*, another impressive recent scorer, who is bidding to follow up her Pontefract victory in the Blaby Plate.

WINE

Red wines from the Valtellina

BY EDMUND PENNING-ROWSELL

HOLIDAY visitors to Italy by car who like to indulge en route in sampling wines not common here at home might do a good deal worse than visit the Valtellina, that 100-mile valley running from the east side of Lake Como to the Swiss border near St. Mortiz and on to Bormio, the resort on the southern side of the lofty Stelvio Pass. From Switzerland this somewhat isolated valley is best reached via the Splügen Pass; from the south by turning north off the Milan-Venice autostrada between Milan and Brescia.

For centuries the Valtellina was part of Switzerland, and even to-day it seems only half-Italian, while the Swiss, always short of home-produced red wines, remain by far the largest foreign customers for the reds in which the Valtellina specialises.

Fertile valley

The attractive, fertile valley is only a mile or two broad for much of its length, with mountains rising steeply to north and south. For about 25 miles around Sondrio, the provincial capital, the northern slopes are covered thickly with terraced vines, often as steeply sited as on the Moselle and rising as high as 2,000 feet above sea level.

However, the superior wines, those bearing the Denominazione di Origine Controllata (DOC) status, come from lower down the precipitous slopes, and the best are produced from vineyards not far above the valley floor, which lies at around 1,000 feet above sea level.

Although some white wine is produced in the valley it can bear no DOC label, and is usually sold under a trade mark of one of the local firms. The red Valtellinas are derived from the grape generally credited as Italy's best red-wine grape, the Nebbiolo, the variety used for Barolo and most of the better Piedmont wines. But here it is known as the Chiavennasca. (Chiavenna is a small town just north of Lake Como on the Splügen road.)

Any Valtellina wine bearing the DOC label must contain not less than 75 per cent. of the juice of this grape, but the balance may be made up by some other named varieties, mostly minor, though including Pinot Noir and Merlot, leading grapes of Burgundy and Bordeaux respectively; but the Valtellina Superiore wines, including all those bearing individual names, must be at least 95 per cent. Chiavennasca.

While the ordinary Valtellina DOC must have a minimum strength of 11 degrees, the Superiore has to be 12 degrees, and is often stronger. The former must be aged at least one year in wood, plus a year in wood, the latter two years before bottling and a year afterwards.

So this year one does not expect to find vintages younger than 1971, though 1970 is not uncommon.

Strung along the northern mountain slopes, and with a southerly exposition, are the four main DOC sub-districts: Sassella, Grumello, Inferno and Valgella. The last of these ends near Tirano at the eastern end of the valley before it turns north-east in the direction of Bormio.

By the standards of burgundy and claret these are relatively quite strong wines, usually at least 12½ degrees and sometimes higher still. Although, as with all DOC wines, the strength is given on the label, they may be misleading to the unwary, as none of the Valtellina wines has a great deal of colour, yet many people tend to associate alcoholic strength with colour, which is not always the case.

A criticism

Valtelline wines are not powerful on either nose or palate; indeed if one were to criticise them, one would say that in comparison with the rounder, bolder wines of Piedmont made essentially from the same grape they tend to lack fruit.

Produced from these high vineyards—and the vintage does not take place until the second half of October—these are in a sense "northern" red wines, rather as Swiss, German and even Loire reds are northern and lack the flesh of burgundy and bordeaux.

On the other hand, they are very clean, "un-made up" wines, and, of course, unlike German and many French red wines they owe nothing to the addition of sugar, which is not allowed under the Italian DOC regulations.

They have a good deal of tannin, which preserves them, and an acidity that contributes to the freshness of their flavour, but together these two attributes result in distinctly dry wines. They taste best with food, as do many Italian wines, including chianti, with strong tannic properties. They accompany admirably the spicy dishes that Italians enjoy.

Of the four named wines, Sassella has the most renown, and is probably the most fruity. The vineyards entitled to this appellation lie on the west side of Sondrio, while Grumello, Inferno and Valgella are ranged along the valley up to Tirano, almost touched by a long finger of Switzerland extending from St. Moritz. The next best-known Valtelline wine is Grumello, although it has its adherents who claim it as the best wine of the valley.

Much in fact depends upon the aspect of the particular holding, for these vineyard terraces must follow the shifting line of the terrain. Moreover, although it might appear sophisticated to set forth the varying characteristics of these Valtelline wines, in fact they are not all that different, being made from the same grape grown on broadly similar sites. The differences may be greater according to which one of the 11 firms in the valley makes the wines than their precise origin on the mountain slopes.

However Grumello is generally credited with being rather drier than Sassella, yet one grower told me that as there was more depth of earth on the narrow Grumello terraces, the wines were more regular and complete than Sassella and Inferno, which suffer more from the climate—although, curiously enough, these vineyards suffer little from frost. Drought is more of a problem, for with only 30-50 millimetres of earth the vines may dry up in hot weather; no irrigation is permitted.

Inferno may seem an odd name for a wine, but those who expect a fierce, hot wine will be disappointed. To offset the implications one firm has named its "cru" Paradiso! Inferno is the smallest of the four appellations, while Valgella to its east is the largest, and generally accepted as the junior.

It is often recommended to be drunk a little fresh, while the others are generally served at room temperature. Valgella struck me as softer than some of the others, but having rather less character.

The valley's speciality is Sfursato, made from grapes left out to dry for two or three months and fermented only in February. The result is a richer, sweeter wine than the others with a high alcoholic content of about 14½ degrees; it can be produced only in good years.

The best of these recently were 1967, 1969, 1970 and 1971, but there are high hopes of 1974. In general, Valtelline wines are at their best at about five years old, although 1964, an outstanding vintage, can be still very good though now rare.

Not cheap

The total production of the Valtellina wines is small: no more than 200,000 hl. in the prolific year of 1973. About 20 per cent. is exported to Switzerland, most of it in bulk and there subject to some blending with other wines. Owing to inevitably high production costs it is not particularly cheap, and for that reason not easy to find in Britain, although Stowells have imported it, and the larger firms are looking for outlets here. It is popular in Milan and Bergamo, and the co-operative cellars at Tirano welcome visitors, while the Sondrio Chamber of Commerce will doubtless assist inquiries. Otherwise there is no lack of restaurants in this verdant valley.

TV Radio

† Indicates programme in black and white.

BBC 1

1.00 p.m. Apollo Soyuz. 1.30 Bagpuss. 1.45 News. 1.55 Cywain. 4.23 Regional News (except London). 4.25 Play School. 4.50 Kim and Co. 5.15 Animal Magic. 5.40 Sir Prancelot.
5.45 News.
6.00 Nationwide.
6.50 The Little House on the Prairie.
7.40 Sutherland's Law.
8.30 Apollo/Soyuz.
9.00 News.
9.25 So You Think You Know Your Rights?
10.15 Going Places.
10.45 This is "Ceefax."
11.05 Globetrotter.
11.35 Weather/Regional News.

All Regions as BBC 1 except at the following times:—

Wales—5.15-5.40 p.m. Arch Noa. 6.00-6.50 Wales To-day. 6.50-7.10 Heddiw. 7.10-7.40 Y Chwilotwyr. 10.15-10.45 Bowls: British Isles Championships. †11.05 News of Wales.

Scotland—9.55-10.05 a.m. Wacky Races. †10.05-10.30 Robinson Crusoe. 10.30-10.55 Vision On. 6.00-6.50 p.m. Reporting Scotland. 10.15-10.45 All Change. †11.05 Scottish News Summary.

Northern Ireland—2.15-4.23 p.m. Racing from the Maze, Co. Down, at 2.35, 3.25, 3.55. 4.23-4.25 Northern Ireland News. 6.00-6.50 Scene Around Six. 10.15-10.45 You're On. 11.05 Northern Ireland News Headlines.

England—6.00-6.50 p.m. †Look North (from Leeds, Manchester, Newcastle); †Midlands To-day (from Birmingham); †Look East (from Norwich); Points West (from Bristol); †South To-day (from Southampton); †Spotlight South-West (from Plymouth). 10.15-10.45 North (from Leeds) You Ought to be in Pictures; North-West (from Manchester) The Time of Their Lives; North-East (from Newcastle) Music Makers; Midlands (from Birmingham) Leisure Boom; West (from Bristol) Man at the Top; South-West (from Plymouth) Peninsula; South (from Southampton) Keepsakes; East (from Norwich) On Camera.

BBC 2

6.40 a.m. Open University.
11.00 Play School.
6.15 Open University.
7.30 Newsday.
7.50 Collector's World.
8.15 The Time-Detectives.
†9.00 Tuesday Cinema: "Gold Diggers of 1935," starring Dick Powell.
10.30 Home.
11.00 News Extra.
11.25 Closedown: Robert Powell reads "From My Diary, July 1914" by Wilfred Owen.

LONDON

10.50 a.m. Primitive Man. 11.40 Galloping Gourmet. 12.05 p.m. Yoga for Health. 12.30 Sally and Jake. 12.40 Pipkins. 1.00 First Report, including Soyuz Launch. 1.30 The Taste of the South. 2.00 Good Afternoon. 2.30 Gosling's Travels. 3.00 Pathfinders. 3.55 Quick on the Draw. 4.25 The Flintstones. 4.50 Magpie. 5.20 Shang a Lang.
5.50 News from ITN.
6.00 To-day.
6.30 Crossroads.
6.55 Bless This House.
7.25 Tuesday Mystery Movie: Cool Million.
8.50 Apollo-Soyuz Link-up.
9.00 The Day War Broke Out.
10.00 News.
10.30 Second Night.
11.30 Oscar Peterson presents Cleo Laine, John Dankworth.
12.00 Learning to Live.

All ITV Regions as London except at the following times:—

ANGLIA

2.00 p.m. Houseparty. 3.00 Randall and Hopkirk (deceased). 4.25 Wait Till Your Father Gets Home. 6.00 About Anglia. 7.00 Survival. 7.30 Tuesday Movie: "Wheeler and Murdoch." 11.30 Reflection.

ATV MIDLANDS

3.00 p.m. Riptide. 4.25 The Rovers. 6.00 ATV Today. 7.00 Tuesday Mystery Movie: McCloud. 11.30 Open Day.

BORDER

2.00 p.m. Houseparty. 3.00 Boney. 4.25 The Woody Woodpecker Show. 6.00 Border News and Lookaround. 7.00 Mystery Movie: "Incident on a Dark Street." 11.30 Police Surgeon. 12.00 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 3.00 Riptide. 4.25 Wait Till Your Father Gets Home. 6.00 Report at Six. 7.00 Mystery Movie: McMillan and Wife. 11.25 Visages de France.

GRAMPIAN

12.30 p.m. Lunch-time Call. 12.35 Grampian News Headlines. 2.00 Houseparty. 3.00 Randall and Hopkirk (Deceased). 4.25 The Merrie Melodies Show. 6.00 Grampian News. 6.10 The Adventurer. 7.00 Marc Time. 7.30 TV Movie—Snoop Sisters. 11.30 Evening Prayers.

GRANADA

10.30 a.m. Spiderman. 10.55 It's Fun to Read. 11.00 The Magic of Music. †11.15 Morning Mystery: "Strangler's Web." starring Griffith Jones and Gerald Harper. 12.30 p.m. A Big Country. 12.35 Mel O Toons. 3.00 Boney. 4.25 Wait 'Till Your Father Gets Home. †5.15 Chuckleheads. 5.20 Crossroads. 6.00 Granada Reports. 6.35 University Challenge. 7.00 The Tuesday Movie: "Crosscurrent." 11.30 Pathfinders.

HTV

12.55 p.m. Report Wales Headlines. 2.00 Houseparty. 2.30 Byzones. †3.00 Danger Man. 4.25 The Osmonds. 5.20 Help! 5.25 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 The Protectors. 7.00 ...

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

... Houseparty. 4.25 Ulster News Headlines. 4.25 The Woody Woodpecker Show. 6.00 UTV News. 6.05 Cartoon Time. 7.00 Bridget Loves Bernie. 7.30 Tuesday's Film: "The Ghost Goes West," starring Robert Donat.

WESTWARD

11.25 a.m. Yoga for Health. 11.50 Survival. 12.35 p.m. Skippy. 12.38 Gus Honeybun's Birthdays. 1.25 Westward News Headlines. 3.00 Riptide. 4.25 Wait Till You Father Gets Home. 6.00 Westward Diary. 7.00 Mystery Movie: "McMillan and Wife." 11.25 Westward Late News. 11.28 Faith for Life.

YORKSHIRE

3.00 p.m. Department S. 4.25 Castaway. 6.00 Calendar. 7.00 Sylvester and Tweety. 7.05 McCloud. 11.30 Police Surgeon.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 p.m. Johnnie Walker including new Top 30 discs and 12.30 p.m. Newsbeat. 1.29 The Apollo/Soyuz Mission. 2.02 David Hamilton (S) also on VHF. 5.00 Newsbeat. 5.15 Alan Freeman. 7.00-12.33 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.2 Simon Bates (S). 6.15 Pause for Thought. 7.2 Terry Wogan. 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.2-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S) including 1.15 p.m. The Apollo/Soyuz Mission. 1.50 Sports Desk. 1.55 Good Listening (VHF). 2.2 David Hamilton (S) as Radio 1 but including on 1500m only (also 202m Scotland) 2.45, 3.45, and 4.45 Sports Desk. 5.2 Waggoners' Walk. 5.17 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sportsdesk. 7.02 Three in a Row. 7.30 Sports Desk. 7.32 Sing Something Simple (S). 8.02 The Musical World of Gordon Langford with the BBC Radio Orchestra (S). 8.45 The Apollo/Soyuz Mission. 9.02 The Impresarios (S). 10.02 Sports Desk. 10.05 Colin Berry (S) with Music Through Midnight including 12.00 News. 12.31 a.m. News Summary.

RADIO 3 — 464m, Stereo & VHF

‡ Medium Wave only

7.00 a.m. News. 7.05 Overture: Smetana, Dvorak (S). 8.00 News. 8.05 Morning Concert: Cazzati, Cimarosa, Weber (S). 9.00 News. 9.05 This Week's Composer: Telemann (S). 9.45 Academy of the BBC (S). 10.55 a.m. Bach Organ Music. 11.30 Berlioz and Brahms. 11.55 Bruckner Motets. 12.15 p.m. Berlioz: "Harold in Italy." 1.00 News. 1.05 The Arts Worldwide. 1.25 Sibelius: 2nd Symphony. 2.10 Sacred Music of the Eastern Tradition. 2.35 Light Music. 3.35 Mendelssohn Quartet and Schumann Quintet. 4.35 Berlioz: "Roman Carnival." Tchaikovsky: Manfred Symphony. ‡5.45 Evening Sequence (part 1). 6.05 News. 6.10 Evening Sequence (part 2). ‡6.30 Study on 3. 7.30 Beethoven Concert from the Royal Albert Hall, London, part 1 (S). 8.15 The Seven Deadly Sins, part 2: Avarice. 8.35 Beethoven Concert, part 2 (S). 9.30 Drama Now (S). 10.05 Bach and Berkeley: Recital (S). 11.00 Sammartini and Vivaldi: concert (S). 11.25 News.

Radio 3 VHF only—5.45-7.30 p.m. and 12.00-1.00 a.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming To-day. 6.40 Prayer For The Day. 6.45 To-day including 6.50 and 7.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of To-day including 7.27 Sportsdesk. 7.35 To-day's Papers. 7.45-7.50 Thought for the Day. 7.55 Weather, programme news. 8.00 News and more of To-day including 8.27 Sportsdesk and 8.35 To-day's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call. 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Celebration. 11.45 David Lloyd James with BBC Sound Archives recordings. 12.00 News. 12.02 p.m. You and Yours. 12.27 Kenneth Williams Playhouse. ‡12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Jamaica Inn (S). 4.00 News. 4.05 Gardeners' Question Time. 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Home to Roost. 6.45 The Archers. 7.00 News Desk. 7.30 A Beethoven Concert: part 1 (S) (as Radio 3). 8.20 The Seven Deadly Sins (as Radio 3). 8.40 A Beethoven Concert: part 2 (S) (as Radio 3). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World To-night. 10.45 A Book At Bedtime. 11.00 The Financial World To-night: Radio 4's International Business Report: Market Trends. 11.15 To-day In Parliament. 11.30 News.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.03 Downtown. 11.02 In Town. 12.03 p.m. Call In—1. 12.34 London News Desk. 1.03 Call In—2. 2.03 206 Showcase. 4.03 Matter of Fact. 4.32 Home Run including London News Desk at 5.00, 6.00. 7.00 In Town. 8.00 Lobby. 8.30 All That Jazz. 10.03 Robbie Vincent's Late Night London. 12.00 As Radio 2 until closedown.

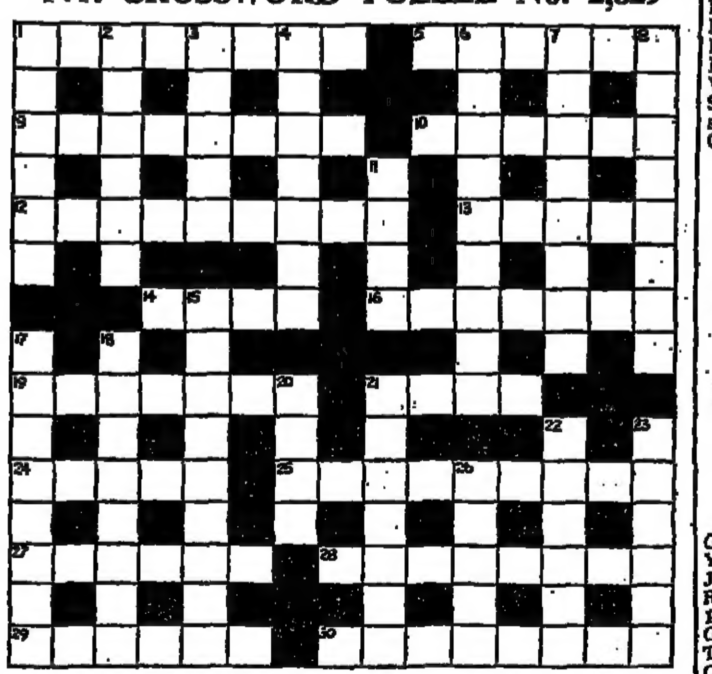
London Broadcasting — 261m and 97.3 VHF

6.00 a.m. "AM": London's breakfast-time news show, with interviews, traffic and travel service, plus sport. 10.00 Open Line—London talks to George Gale. 12.00 Newswatch. 6.00 p.m. Newsbreak. 7.30 London Matters. 9.00 Love in London. 1.30-6.00 a.m. Nightwatch—news every half-hour.

Capital Radio — 194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions and "Swapshop." 12.00 Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London To-day. 7.30 Open Line. 9.00 Your Mother Wouldn't Like It (Rock Show). 11.00 Tony Myatt and his late night show. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 2,829



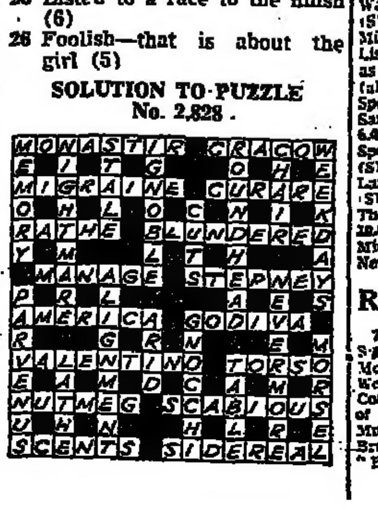
ACROSS

1 WD in DC (8)
5 Score one across the border (6)
9 Square like a sundial (3-5)
10 Eventually rhythmical (2, 4)
12 "Full of —— meaning and pith" (Calverley) (9)
13 Get a dwarf to sing (5)
14 Right and wrong combined we have to brook (4)
16 Label permits for lozenges (7)
19 So clear? Possibly, but they were ambiguous (7)
21 Fixed in season, we hear (4)
24 Return pass with hesitation during GP's absence (5)
25 "A source of innocent ——" (Mikado) (9)
27 Vegetables resulting from unbacked dollars (6)
28 Prank we have to avoid about this period (8)
29 Is found among the others to hold out (6)
30 Meant for the fiancée (8)

DOWN

1 Verbose, over 50 found in the next month (6)
2 Sounds like a recent song for the streaker (6)
3 A party needs one excuse (5)
4 Inclusive garment (7)
6 Artist studies the list (9)
7 Fashioned Formosan takes a look at communist (8)
8 Inattentive—but don't take it so much to heart (8)
11 Run a risk about a learner (4)
15 Lights I'll get us round the pit (9)
17 Pass over the classic university student (8)
18 Station saint takes in oriental sweetbread (8)
20 An indefinite number can be agreeable after a win (4)
21 Goes to bed with Poles in Italian city (5, 2)
22 Telephone exchange recalls novel brigadier (6)
23 Listen to a race to the finish (6)
26 Foolish—that is about the girl (5)

SOLUTION TO PUZZLE No. 2,828



APPOINTMENTS
CONTINUED ON PAGE 5

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For further information write to the Headmaster's Secretary.

CONTRACTS AND TENDERS

REPUBLIC OF BOTSWANA
CONSTRUCTION OF FRANCIS TOWN TO SERULE ROAD

The Government of the Republic of Botswana will at the end of 1975 be inviting civil engineering contractors to tender for the construction of the Francistown to Serule Road. Serule is located 87 kms south of Francistown on the main railway and existing gravel road to Gaborone.

The new road will be single carriageway and will run generally parallel to the existing road and railway. The pavement will consist of a gravel sub-base, a stabilised gravel base course and surface dressing. The contract will include concrete structures crossing main water courses, including the Shashe and Tati rivers.

The construction period will be 24 months, and tender documents will be in the English language.

It is the intention of the Government to limit tenderers to those companies suitably qualified to carry out such work. Companies interested in prequalifying are therefore invited to complete a questionnaire within the next two months detailing their resources and experience. Copies of the questionnaire may be obtained from the Consulting Engineers at the following address:—

Sir Alexander Gibb & Partners (Africa) F. H. Kocks KG.
P.O. Box 416,
Gaborone,
BOTSWANA.

LEGAL NOTICES

No. 002108 of 1975
IN THE HIGH COURT OF JUSTICE
Chancery Division, Companies Court. In the Matter of MICHAEL LEIGH (BROMLEY) LIMITED and in the Matter of the Companies Act 1948.

Notice is hereby given, that a PETITION for the WINDING UP of the above-named Company by the High Court of Justice was on the 20th day of June 1975, presented to the said Court by Micheal Leigh Rothman, of 38 Walworth Road, London, S.E.17, clothing merchant, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL, on the 28th day of July 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

MICHAEL CONN & CO., 24 Queen Anne Street, London, W1X 9AL, Solicitors for the Petitioner.

COMPANY NOTICES

NEFO N.V.

At a meeting of the Board of Directors held on Friday, 11th July, 1975, an interim dividend of 4% on the ordinary shares was approved.

This dividend being Fls.2—on certificates of one ordinary share and Fls.40—on certificates of twenty ordinary shares will be payable as from 21st July, 1975, in cash against coupon number 19, at Hollandsche Bank-Unie N.V., Amsterdam, The Hague and Rotterdam ...

OFFICIAL NOTICES

OFFICIAL NOTICE

The loss has been reported to us of Sixteen Silver Warrants, details as under, and we have been requested to issue duplicate Warrants:

Warrant No.	Brand	Pieces	ozs.
171471	ZTM	11	9723.181
172783	ZTM	11	9861.202
172784	ZTM	11	9737.009
161309	BOR	10	9587.0714
157291	BOR	10	9597.9448
150726	BOR	10	9714.5330
146205	BURMA	8	9642.640
146201	BURMA	8	9617.570
157288	BOR	10	9610.8308
171494	ZTM	11	9500.858

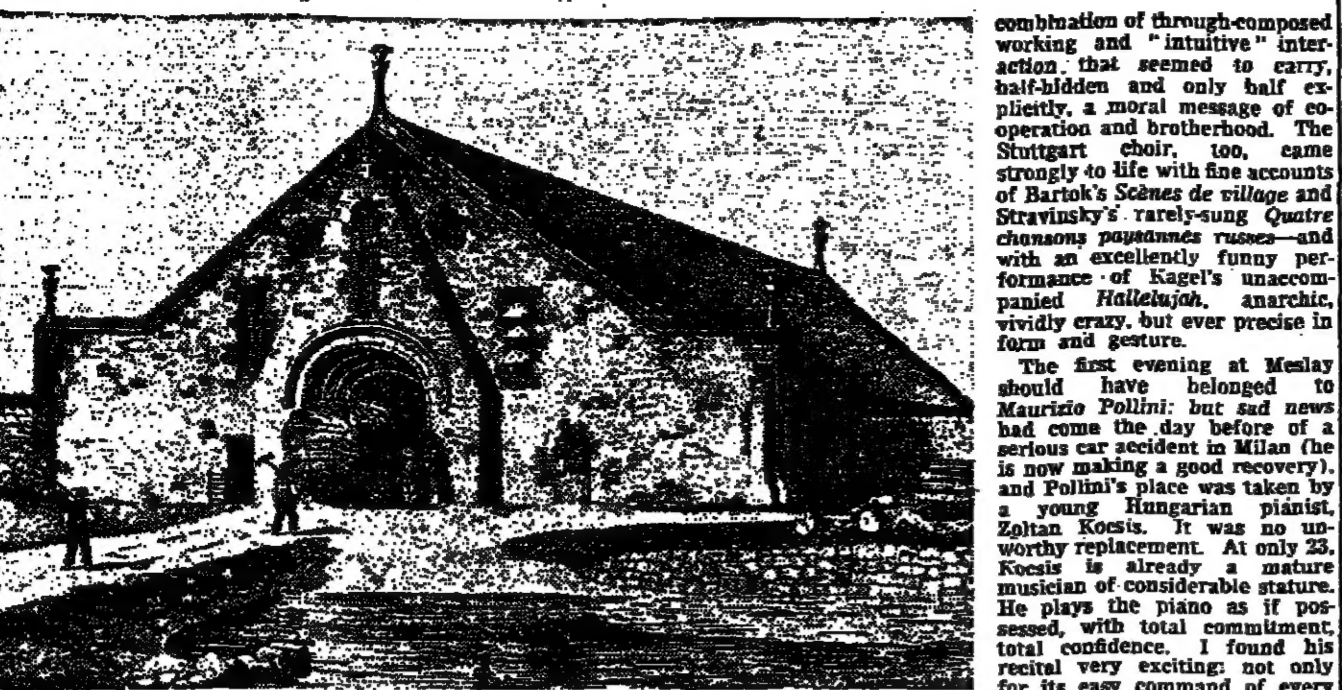
PUBLIC NOTICES

GOURMET

Two barns in Touraine

by DOMINIC GILL

The 13th-century fortified farm of Meslay, surrounded on three sides as far as the eye can see by fields of maize, barley and wheat, and on the fourth by an ancient stand of chestnut, oak and beech, lies some ten kilometres north-west of Tours in the fertile plain of the Loire. Though the Paris-Bordeaux motorway now passes less than a kilometre away, the years have not changed it greatly. Meslay is still, as it has been for more than seven centuries, a working farm: the entrance gate crowned by a high stone tower, leads on to a courtyard whose walls enclose, with solid mediaeval pride, and not without a certain solid grace, a lake, stables, sheep-pens, cellars, kitchen-gardens — and most proudly of all, a barn, the Grange of Meslay, a magnificent edifice constructed in 1220 by the rich monks of Marmoutier to house their harvest tithes.



Meslay's Grange in the 15th century

The original farmhouse nearby was burnt to the ground by the Germans in 1944: but Meslay's Grange remains, barely touched by centuries of war and weather, to-day one of the most striking examples of the European domestic architecture of its age, miraculously intact. The word "domestic" in any case hardly suits it — 60 metres long and 25 metres wide, its broad tiled roof supported by a tracery of chestnut tie-beams and rafters set on 24 massive oak pillars, the Grange has more the air of a romanesque church built in wood, more cathedral than barn. But domestic barn it is nonetheless, for 50 weeks of the year; and for the remaining summer fortnight, Meslay is also a most unusual festival place, with the Grange, the sweet smell of hay and corn still clinging to its rafters, its concert hall.

It was the pianist Sviatoslav Richter, helped by a group of local friends and music-lovers, who first discovered, and in 1964 eventually founded in Touraine, this "lieu festivalesque unique au monde." The setting is as nearly perfect as one could wish for intimate, festive music-making: the acoustic of the Grange, with its natural rows of oaken baffles and solid floor of beaten earth, is close and warm, nowhere—even in the farthest seat from the platform, arranged at the centre of the long west wall—unclear. It is kind to voices; kind to instrumental ensembles, sweetly blending brass with strings, without confusing the sonority, or picking out either in too vivid relief; above all, kind to the piano—recitals given by the Messiaens, by Michelangeli, and always by Richter himself, have been in past years the glory of the festival.

The programme at Meslay is traditionally divided into two long week-ends at the end of June and the beginning of July. The second week-end which I attended this year was to have been dominated by three appearances of the Ensemble Musique Vivante (the French equivalent of our London Sinfonietta) with the Schola Cantorum of Stuttgart conducted by Pierre Boulez — Meslay's first experiment in a series of concerts of 20th-century music, and the first time in his career that Boulez has ever agreed to give more than a single concert at a French festival.

It might have been better, as it turned out, if Boulez had not changed his custom: for his were by far the least interesting and satifying contributions to the week-end. He had interrupted a busy schedule to pass by Tours for three days to put in an appearance as *grand maître*—but there had clearly been no adquate provision in his time-table for the rehearsal of three very taxing programmes; and though the best was passable, the worst, and larger part, of them was very poor indeed. It is difficult to imagine a clumsier or more unidiomatic performance of Wagner's *Siegfried Idyll* or of Brahms's Serenade No. 2 op.16 than that given by Boulez with Musique Vivante on the second evening: unbalanced, inflexible, inaccurate, without the least hint of compensating eloquence or charm.

Stuttgart's Schola Cantorum were a disappointment also: but by the same cause surely, since we know them to be, like Musique Vivante, "essentially a strong and capable chamber group, with few notable solo stars, but well-disciplined, well-balanced, thoroughly musical. Their singing under Boulez the next evening of Schubert's *Nachtgesang im Walde*, the late *Hymne* of 1828, and the lovely *Gesang der Geister* for male voices and strings was on each occasion almost studiously charmless, bumpily phrased, lumpen in sonority. There were performances too from the Ensemble of Stravinsky's *Symphonies of Wind*, Schoenberg's op.9 and Webern's op.10 of much the same quality; and of Berio's masterpiece from the early 1960s *Laborintus II*, which so brilliantly, and with such keen dramatic sense, combines jazz and straight styles, tape-music and live score, we heard little more than a brusque and skeletal dissection, unrelentingly driven on, lacking most notably in any kind of dramatic pause or dramatic breadth.

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But all was not entirely lost. There was a good and careful account — again somewhat unlovingly shaped: "exposed," one felt, rather than "performed"— of Berg's chamber concerto, with Christoph Eschenbach and Sachko Gawriloff the soloists; and a lively last performance on the final night of Stravinsky's *Noces* which offered at least some semblance of instrumental and vocal fireworks, before a real (and it must be admitted, actually far more splendid) display prepared by a *maître artificer* at midnight on the banks of the lake outside.

The truly memorable parts of these Fêtes in Touraine were less glamorous, more intimate, more unassuming. Musique Vivante, indeed, showed their real mettle meanwhile one morning 20 kilometres up the Paris road from Meslay, at a new and smaller Grange, "petite soeur de Meslay" at Besnardière, privately built on the same mediaeval pattern a few years ago to house a new organ by Jean Guillou, cased in a remarkable baroque polychrome Spanish *buffet* of the 17th-century.

Their programme here, in smaller scale but no less promising surroundings, was more adventurous and altogether more successful. The conductor was Diego Masson, who stirred his players to fine performances of Varèse's violent, uncannily forward-looking *Ecuatorial* of 1934, and of the trombonist Vinko Globokar's more recent (1972) *Airs de voyage vers l'intérieur* for trombone, clarinet and eight mixed voices—this last, an odd, naive, curiously touching combination of through-composed working and "intuitive" interaction, that seemed to carry, half-hidden and only half explicitly, a moral message of co-operation and brotherhood. The Stuttgart choir, too, came strongly to life with fine accounts of Bartok's *Scènes de village* and Stravinsky's rarely-sung *Quatre chansons paysannes russes*—and with an excellently funny performance of Kagel's unaccompanied *Hallelujah*, anarchic, vividly crazy, but ever precise in form and gesture.

The first evening at Meslay should have belonged to Maurizio Pollini: but sad news had come the day before of a serious car accident in Milan (he is now making a good recovery), and Pollini's place was taken by a young Hungarian pianist, Zoltan Kocsis. It was no unworthy replacement. At only 23, Kocsis is already a mature musician of considerable stature. He plays the piano as if possessed, with total commitment, total confidence. I found his recital very exciting: not only for its easy command of every kind of technical resource, but also for its passion, eloquently restrained, and gentle; unmannered poetry. Every part of it contained something that was memorable: three Bach preludes and fugues, clean and clear, beautifully graded and pointed; the Mozart C minor Fantaistic K475, and the A major sonata K331, both described in masterly fashion, sparkling with energy, pungent, delicate. His account of Beethoven's op. 110 was the evening's climax, radiantly simple, perfectly balanced—perhaps a very slow *moderato cantabile* is after all the answer to this most wonderful and enigmatic of Beethoven sonata first-movements: Kocsis certainly persuaded us so. An important talent, who must be heard soon in London—and not just at the Purcell Room or Wigmore Hall.

Perhaps the strangest and most haunting concert, and the one of most subtle, intangible enchantment, was given by Richter himself, at an unscheduled morning recital in the little church of Parcay-Meslay. A storm had broken, and the rain poured down, soaking an unsuspecting audience as it arrived; in spite of the time of day, the sky was so dark that candles had to be lit inside the church. Richter played, as the rain hammered on the roof, a simple sequence of seven Bach preludes and fugues, his hands and face in candlelight: in the main very slowly, with the utmost clarity—serious, sombre performances in whose very austerity there was also a kind of tenderness, and quiet joy. They neither called for nor received any applause. It was too still a moment for any thought of clapping noisy hands, or for any consideration of authentic baroque style: a cycle of 14 perfect utterances, a circle of perfect unity, hidden from the storm.

Moscow theatre

Twelfth Night

by HENRY POPKIN

Persuaded by Sir Toby Belch to challenge Cesario, Sir Andrew Aguecheek emits a reluctant "Okay." As part of the international vocabulary, the word is permissible (even though it is apparently an actor's interpolation) because this is a Moscow *Twelfth Night*, newly rendered into contemporary Russian by David Samoilov and directed by Peter James, head of the Crucible Theatre, Sheffield, at the Sovremennik Theatre. That makes the youthful Mr. James the second Englishman to direct a play in Moscow. The first was Gordon Craig.

This production is the first Shakespeare from Moscow's leading theatre of realism—a term I use to distinguish it from Moscow's other leading playhouse, the Taganka, where a more flamboyant approach governs. It has plenty of energy and good humour. Perhaps its most distinctive feature is a more spirited Olivia than we are used to seeing. This Olivia livelier and more aggressively flirtatious in courting the disguised Viola. Naturally, she is wearing black for mourning when we first see her, but, soon after she has set eyes on Orsino's new page, her basic black dress is transformed by new lacing on a plunging neckline that reveals what may be the first female navel to be seen on the Soviet stage. After all this effort to impress her, Viola's response is a *moue* of disgust, quite different from the light-hearted laughter of Dorothy Tutin's memorable Viola or the accommodating tolerance of Bibi Anderssen's Olivia in Ingmar Bergman's recent production.

The Malvolio of Oleg Tabakov, the head of this company, is exceptionally grim, except, of course, during his fleeting moments of hopefulness, but, in contrast to Eric Porter's comparably solemn interpretation, this Malvolio is more grouchy than tragic. To explain the title, the song about the 12th day of Christmas (and its predecessors) is sung, and the time of year is additionally established by a cyclorama inspired by the work of Jack Frost (or Vanya Frost, as he might be known locally). On the whole, this is a creditable job.

The main trend of the season are plays about the war, to mark the 13th aniversary of victory —a calculated trend, like the recent cycle of plays about industry and the earlier cycle of plays about Lenin. Old war plays by Simonov and Korneichuk have been revived, and every theatre seems to have at least one new war play in its repertoire. The Taganka's contribution is *Fasten Your Seat Belts*, of which Yuri Lyubimov is co-author as well as director. In exhibiting, side by side, the contrasting images of a wartime troop-carrying plane and a passenger plane of to-day, this production provides the visual excitement that has always distinguished Lyubimov and his theatre.

At the Sovremennik, three war plays are listed in a single programme. One of them, Mikhail Roshchin's *The Special Train*, directed by Galina Volchok, gets a considerable emotional charge out of the problems of a train-load of women going East in 1941 to do factory work. The same play has been staged at the Moscow Art Theatre by Anatoli Efros, a director whose star has been rising rapidly. Several years ago he lost control of the Malaya Bronnaya Theatre and seemed to be officially disapproved of. Now, the Moscow Art, having been outclassed a couple of years ago by the Sovremennik version of Roshchin's *Valentin and Valentina*, has engaged him to improve its standing in what will apparently be the continuing Roshchin competition between these two theatres.

Efros' scintillating production of Gogol's *Marriage* at the Malaya Bronnaya is one of the great popular successes of the season, and he is now rehearsing *The Cherry Orchard* at the Taganka—making him the first person other than Lyubimov himself to direct at the most admired theatre in Moscow. It is safe to say that Efros has made a comeback.

'Kwazulu' for London

Kwazulu, described as "an African musical explosion of reverberating drums blended with vibrant dancing and voices of spell-binding charm," opens a season at the New London Theatre from July 24.

The 32-strong company is drawn from representatives of eight Southern African tribes, and the show tells, with traditional-type songs and dances, a love story which takes place against a backdrop of violence and war.

Cormac McCarthy

John McEnery, Pamela Moiseiwitsch, Lynda Marchal and Liz Edmiston in "Ghosts" which opened last night at the Hampstead Theatre Club.

Spoleto

Viviani double-bill

by WILLIAM WEAVER

Raffaele Viviani, who was born in 1888 and died in 1950, was one of those all-purpose theatrical geniuses that the city of Naples seems to produce regularly. Like his predecessor Scarpetta and his younger contemporary and successor (still happily reigning) Eduardo De Filippo, Viviani was brought up backstage. His father was a wardrobe supplier and a small-time impresario. Raffaele made his debut at the age of four, and before he was 20 he had achieved at least local fame. He was not only a superb comic actor, by all reports, but also an author, director, producer, choreographer and—though (like Chaplin) he couldn't write music—composer of memorable songs.

His anti-Fascism hampered the great years of his mature career, and by the time the Regime was over, Viviani's poor health had forced him into virtual retirement. Some of his films still exist (though they are very rarely shown), and his collected works have been published in two volumes, but they, too, are rarely revived.

Some years ago the Neapolitan dramatist-novelist film-maker Giuseppe Patroni Griffi staged two of Viviani's short plays under the collective title *Napoli: notte e giorno* (which was seen also in London during the World Theatre Festival). Now, for the 18th Festival of Two Worlds, Patroni Griffi has staged another Viviani double-bill, giving it the title: *Napoli: chi resta e chi parte* (Naples: those who stay and those who leave). The two plays this time are *Caffè di notte e giorno* (Night and day café, of 1919) and *Scalo marittimo* (*The port*, 1918).

Viviani's works were, of course, tailored to his own talents as an actor. To stage them now, after more than half a century, raises problems of style, of approach. Patroni Griffi courageously and wisely decided against any attempt at literal re-creation of the Neapolitan popular theatre of six decades ago. Instead, he used the works as the basis for a new creation: they were given almost as spoken ballets. To some members of the Spoleto audience, on the festive and warm opening night, the pacing seemed self-indulgent. Gags which in 1919 probably flashed past in a few seconds were drawn out, exacerbated, given, as it were, in slow motion. But this almost perverse slowness created a magic of its own, especially in the *Caffè di notte e giorno*, which—like most of Viviani's work—is more an anthology of scenes and characters than a "well-made," coherent drama. The humour is mortally bitter (no surprise that Gorky was one of Viviani's greatest admirers); one example: a poor family rents their home at night and comes to sleep in the café, complaining in outrage when others keep waking them, and when a neighbourhood bully aggressively drinks the last of the single cup of espresso meant to be shared out among the parents and numerous children. And the humour is punctuated with brutality and tragedy.

Looming over an almost bare stage, in *Scalo marittimo*, is the ghostly form of an ocean liner: that obsessive theme in so much of Naples's history and art, the physical representation of menace in a city of emigrants. As the ship prepares to leave, the port teems with characters: departing passengers of every class, and those who remain, a porter, a vendor, and a poor peasant cheated of his few worldly possessions.

Massimo Ranieri in "Scalo marittimo," with Angela Pagano.

Much interest in this production centred around the presence of Massimo Ranieri, who played a series of parts. One of Italy's most talented and tasteful pop singers, Ranieri has already given proof of his acting abilities in some films (including Mauro Bolognini's *Metello*). This was his stage debut, and it was impressive. He was wily and funny as a Neapolitan urchin, edging around the docks; intensely moving as the defrauded peasant; and blasé as a slumming viveur in the poor café. As a bullying pimp, he was less successful (perhaps because one's memory was vivid of Mariano Rigillo in a similar part in *Napoli: notte e giorno*, insuperable). The economy of pop singing and of the theatre being what it is, Ranieri will probably not be seen very often on the legitimate stage. A pity, because he is an authentic actor.

Rigillo was also present, indeed outstanding, in the cast of this production. And the singer-actress Angela Luce was particularly laudable as the golden-hearted (and sumptuous-breasted) prostitute of the café.

Ferdinando Scarfiotti's sets were masterpieces of elegant simplicity, and Gabriella Pescucci designed a series of appropriate costumes, ranging from glittering, gaudy evening dress to realistic but poetic tatters. Viviani's songs were cleverly arranged by Fiorenzo Carpi for a small orchestra (including, of course, a mandolin and an accordion). A well thought-out, festival-level production.

The second—and final—opera production at Spoleto was a triple bill, including two works by Gian Carlo Menotti (*The old maid and the thief* and *The telephone*, both in Italian translation) and Bizet's *Le docteur Miracle*, in the original French. They add up to a long evening. *The old maid*, written originally for radio, is a succession of numerous scenes, and though the clever Norman-Rockwell-like sets of Pasquale Grossi and the agile staging of Pierluigi Samaritani (one of Italy's finest designers, making his debut as producer) kept things moving briskly, the humour wore thin, and David Agler's relentless, uninflected conducting was not much help. Similarly, in *The Telephone*, Maurizio Rinaldi conducted accurately, but without much wit. And Franca Valeri's staging lacked the flair and invention she brings to her own work as a comedienne.

There was good singing in both operas: by Muriel Costa Greenspon (as the Old Maid) and by the impressive young baritone Sigmund Cowan (as the thief). Karen Hunt, of the Metropolitan Studio, was the old maid's enamoured housekeeper; and she sang the little opera's main aria, "Steal me, Bob," with tender grace. The young Italians in *The Telephone*—Mariella Devia and Giorgio Gatti—were also interesting, and one would like to hear them in a more challenging piece.

The Bizet—unfamiliar in Italy—was sheer delight, buoyantly conducted by Jean Pierre Marty, cleverly staged by Giulio Chazelettes, aptly designed by Ulisee Santicchi. Again, the singing was excellent, especially by Anne Marie Blanzat (as the mother) and Francois Loup as her pompous husband.

COLD LA INA

The aperitif of the aficionado

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WORLD TRADE NEWS

Arab aid for Port of Aden $30m. modernisation plan

BY MICHAEL TINGAY

ADEN, July 14.

THE Aden Port Authority plans to spend $30.7m. on an all-round improvement scheme. The project will be carried out in two stages, with major funds coming from the Arab Fund for Economic and Social Development and the World Bank, it was learned here.

According to official sources the People's Democratic Republic of Yemen is negotiating a $3.5m. loan from the International Bank for Reconstruction and Development, while terms are still to be settled for $12.2m. from the Arab Fund. The Fund's aid includes $500,000 in technical assistance to cover immediate improvements. The second $15m. remains to be found.

A 15-year masterplan for Aden Port is currently being undertaken by a consultancy team from Peat Marwick Mitchell, Coode and Partners, and a Beirut company, Associated Consulting Engineers. Observers believe that when the long-term projections for the Port have been made, the document will be the basis of attempts to raise money for the second stage.

Since closure of the Suez Canal in 1967, Aden's port traffic has fallen from 6,000 ships a year to 1,300 annually, the level claimed by the port authorities. Observers here believe this figure includes local traffic. In 1965/66 port revenue was YD1.74m. and expenditure YD1.37m. compared with 1973/74 revenues of YD870,794 and expenditure of YD818,000. This means a drop in port surplus to less than YD53,000.

With changed conditions in world shipping and the move to larger oil tankers and bulk carriers as well as the trend towards bunkering at points of loading and discharge, it seems clear that Aden will not regain its former position. It is dependent for extra traffic on the new pattern of Suez Canal shipping, which is by no means clear. It also faces competition from Hodeida, Djibouti and Jeddah, with the last-named offering bunkers at $64 per ton compared with a world price of $76.50. There were even reported plans for further price cuts.

Mr. Anis Hasan Yahya, Democratic Yemen's communications minister, believes that competition from Jeddah is not serious because of congestion in the Saudi port. "We believe one of the main factors in shipping is time lost and we think the quick turn-round in Aden will counterbalance the cheap bunkers. A company would rather pay more than wait 30 days," he stated.

By June 30 Aden had received 39 ships which could be attributed directly to the re-opening of Suez—an unofficial estimate of 23 going up and 16 coming down.

The hope is that with a massive investment programme from long-term loans, Aden will be able to catch up after its seven years as a relative backwater. The IBRD and Arab funds will permit purchase and repairs of equipment throughout the port, and eventual plans include dry and floating docks, extending wharves and dredging the main basin.

Asked about the PDRY attitude to cargoes which could be discreetly bound for Israel, Mr. Yahya pointed out that there had been "no complaints of any kind about treatment in port or interference. We have international responsibilities and must observe international rules."

That was interpreted as a very mild line and an indication that Aden would go along with other Arab countries should a healthy climate for Israel-bound shipping develop in the way that currently seems likely.

Sperry computer to aid Iran's agriculture

By Christopher Lorenz

AN AMBITIOUS Iranian project to expand agricultural output through the computer processing of satellite data is to be based on a $5.5m. Sperry Univac computer.

For Univac, the order, announced yesterday is a major achievement. Not only is it the company's first sale to Iran, but Univac claims that the 1110 installation will be the largest single computer in the country.

The Iranian project is one of the most advanced examples in the world of the use of satellite-generated data to analyse the optimum use of natural resources. Information will be collected and collated about soil characteristics, watershed location and protection, crop forecasting, forestry requirements, weather, fisheries and animal husbandry.

The technique is not new, but according to Univac has never been applied in such magnitude before. Known as ERTS, it was developed in the U.S. by the National Aeronautics and Space Administration, with the universities of Maryland and Wisconsin supplying agricultural research programmes.

The technique is intended to enable land to be allocated to the most productive use. The Iranian authorities plan to divide the country into a number of grids, collect the data within each grid and analyse by satellite and remote sensing devices.

During Iran's 1968-73 growth plan, agriculture was one of two sectors which narrowly failed to meet the growth targets, thanks to adverse natural conditions in 1970 and 1972. One aim of the computerised resource analysis system is to forecast possible problem areas, allowing preventative measures to be taken. Iran now plans a steady 7 per cent. growth rate for agriculture.

Swiss-U.S. pact on Tiger purchase

By John Wicks

ZURICH, July 14.

MR. RUDOLF GNAEGI, the Swiss Minister of Defence, has signed an agreement laying down that if Switzerland buys the Northrop fighter aircraft Tiger-5E, the U.S. will place orders for at least 30 per cent. of the purchase sum with Swiss industry.

The agreement has a duration of eight years, and foresees orders worth some Sw.Frs.330m.-390m. (£59m.-£70m.) or as much larger a share of the Sw.Frs.1.1-1.3bn. (£196m.-£232m.) purchase price as possible.

The compensatory transactions will be watched over by representatives of the two countries' Defence Ministries. Orders are expected primarily to be placed by Northrop and General Electric, as major manufacturers of the Tiger fighter programme.

The question of the Tiger purchase, formally recommended by the Ministry of Defence, should come before the autumn session of parliament at committee level, and be decided by the National Council in December and the States Council next March.

That would mean an order for 72 Tiger fighters could be placed with Northrop next April. The Air Force would then probably take the new aircraft into use between 1979 and 1981, whereby at least 53 are intended to be assembled at the Federal Aircraft Works, Emmen, near Lucerne.

Europe-S. Africa freights to be quoted in dollars

By John Stewart

CAPE TOWN, July 14

THE Europe-South and South-East Africa Shipping Conference, which accounts for 70 per cent. of the seaborne trade, announces that freight rates will be expressed in U.S. dollars instead of sterling for cargo shipped by vessels commencing to load at each U.K. and Continental port individually on and after September 1.

This switch, which has been under discussion at least since last October, breaks a link with sterling which has existed since 1893, and is the result of economic pressure flowing from the decline of the pound.

The sterling tariff rates applicable after August 1 (after the general increase effective on and after that date has been taken into account) together with the devaluation surcharge then current, will be converted into U.S. dollars at a rate equivalent to £1=$2.3625.

The Conference said yesterday that there would be no currency adjustment factor applicable to the U.S. dollar rates evolved as above, but the terms and conditions of the tariff, including the contingency provisions, would continue to apply. In the event of any official or unofficial devaluation of the U.S. dollar the Lines would reserve their right to take compensatory action.

The change in tariff currency applies also to freights on cargo shipped to Europe from ports in the range Walvis Bay/Chinde.

The problem has been that non-British members of the 12-nation Conference incur most of their expenses in currencies other than sterling, and that their revenues—expressed in sterling—come nowhere near matching, let alone exceeding, outgoings.

On a more favourable note, the Conference lines are expected to announce soon a further improvement in the turn-round times of ships.

Export Contracts

PILKINGTON BROS. is to deliver 1,100 double-glazing units of bronze solar-control glass costing £150,000 to the new Bank for International Settlements block under construction at Basle.

WELLS-KRAUTKRAMER, Letchworth, will manufacture ultrasonic rail-testing trolleys and ancillary equipment worth £330,000 for the Argentine railways.

TRANSMARK (British Rail) is to make a detailed study of the Washington-New York-Boston rail link and recommend future marketing strategy and service planning under a contract worth $100,000.

Yugoslav half-year deficit sharply higher

By Aleksandar Lebl

BELGRADE, July 14.

Yugoslavia's foreign trade deficit worsened in the first half year. Exports were $1.99bn. and imports almost double that figure at $3.93bn., a gap of $1.94bn. The temporary ban on imports came into effect on June 20, but had no effect on the figures.

While the value of both exports and imports was above 1974 because of price increases, export volume was lower and import volume slightly higher. What is especially worrying is the deficit with developed countries, where half-year exports dropped 21 per cent. but imports 16 per cent. By contrast shipments to both the developing and Socialist countries increased, by 71 and 25 per cent. respectively, while imports from them were only 3 and 7 per cent. above a year earlier.

U.S. move at GATT talks today

BY OUR OWN CORRESPONDENT

GENEVA, July 14.

THE U.S. is calling for a series of smaller package deals on the way to an overall agreement at the Tokyo round of trade liberalisation negotiations. This view will be put to the GATT Trade Negotiations Committee tomorrow and on Wednesday when it meets to review the past five months of progress at the 90-nation talks.

It is generally felt, however, that the U.S. will not get too far with its idea, intended to provide the negotiations with what U.S. officials say would be "encouraging impetus." The EEC, in particular, argues that smaller package arrangements would work to Washington's advantage, with a prior agreement on standards a case in point.

Whereas the U.S. applies standards on a voluntary basis, with each state free to accept new rules or not, it is a Government affair within the EEC, and revised standards for such items as the height of car bumpers would come into force almost at once. There is thus "only a moderately enthusiastic response to the U.S. proposal," one GATT official stated.

The EEC believes it would be difficult to obtain a fair balance in the context of step-by-step packages, and for that reason neogtiations should continue within sub-committees to reaching one single overall agreement.

GATT feels that since the main TNC met in February the talks have progressed on schedule, but with more progress on some items and less on others, especially agriculture.

IN BRIEF

By our own correspondents

Stockholm. Wilkinson Match will manufacture and sell the Swedish Match group's lighters in North and South America, and will act as distributor in the U.K., Ireland, Australia and New Zealand. In other markets the Swedish Match lighter division will continue to operate as before. Division sales rose 11 per cent. in 1974 to £32m.

Geneva. The GATT council has set up a "Consultative Group of 18" of the 83 member countries to co-ordinate policies with the International Monetary Fund and to act as a general trade watchdog. Main tasks to be reviewed at regular meetings will be to follow international trade developments to ensure GATT objectives and principles are upheld; to forestall whenever possible "sudden disturbances that could represent a threat to the multilateral trading system;" and co-ordinate between GATT and the IMF on the international adjustment process. The 18 include the EEC as a single body.

Stockholm. Stansaab Elektronik (Saab Scania group) has licensed Merametronex, Poland, to produce in Poland data display terminals. The agreement is worth £3.4m. and offers the Poles the right to export display terminals to other East European countries. Merametronex will also export electronic equipment to Stansaab worth Kr.10m. (£1.14m.). Discussions between Stansaab and Russia on purchase of Stansaab air traffic control systems are expected to be concluded shortly.

New York. Hawker Siddeley Aviation and Beech Aircraft are not to renew their joint agreement to market Beechcraft-Hawker jet aircraft in North America after expiry on September 30. The decision is attributed to "economic considerations, particularly inflation." Hawker plans to continue association with Beechcraft "on any programmes that would be of mutual advantage." Both companies will continue product and service support until Hawker can assume complete service support.

Singapore. A Brown Boveri plant has been opened to produce miniature circuit-breakers and low-voltage switchgear. Brown Boveri Singapore has been set up as the group's S.E. Asian HQ. Mr. Hon Sui Sen, Minister of Finance, opening the plant, denied that Singapore was discouraging all electronics ventures in any but the highest-technology category.

Highlights from the Statement of the Chairman, Mr. J. V. H. Robins

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SUMMARY OF RESULTS:

		1974 £000	1973 £000
Group Turnover:	Home Sales	1,892	1,527
	Export Sales	129	118
		2,021	1,654
	Rental Revenue	3,858	3,713
	Total:	5,879	5,358
Profit (Loss)		274	(552)
Unexpired Contracted Rental:		£21,000,000	£18,750,000

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Copies of Report and Accounts may be obtained from the Secretary, Shipton Automation Limited, Shipton Group House, Oval Road, London NW1 7DD. Tel: (01) 485 4100.

AMERICAN NEWS

Ford to decontrol oil price

WASHINGTON, July 14.

PRESIDENT Ford announced he will decontrol the price of old oil over a 30-month period and asked Congress to enact a windfall profits tax to reclaim excess profits resulting from the decontrol.

At the same time Ford asked Congress to extend the emergency petroleum allocation act which expires on August 31 to give him the authority for the gradual decontrol plan. Unless the act is extended the price of old oil now controlled at $5.25 a barrel would immediately be free on August 31 to rise to world oil levels—about $13.50 a barrel.

The 30-month decontrol plan is slightly longer than the plan Ford announced earlier this year to decontrol oil over 25 months.

Under the plan proposed by Ford prices on all currently controlled oil which includes about 60 per cent. of U.S. production would gradually be listed beginning on August 1 and the phaseout would end in January 1978. Each month the amount of old oil under controls would be decreased by an additional $3.3 per cent.

The President also proposed a ceiling on new oil of $13.50 a barrel. Under present regulations new oil is free to rise to whatever the world price is.

AP-DJ

OPEC surplus could be $400bn. by 1980—Bank

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, July 14.

THE accumulated payments surplus of the oil exporting countries could climb to as much as $403.1bn. by 1980, according to the World Bank's latest estimates.

These are contained in a new report just circulated to member governments on the outlook for the Third World in the wake of the oil price rise and the industrial recession, entitled "Prospects for the developing countries, 1976-1980."

As expected the Bank paints a bleak picture, warning that the developing world will need substantially increased capital assistance as well as greater access for its exports to the industrial countries, if it is to resume a reasonable level of growth after the reverses of the last two years.

However, the report carefully refraing from any criticism of the OPEC countries over the damage they have done to the economic prospects of the rest of the developing world—although within the Bank itself this velvet-gloved attitude is proving very controversial.

Assuming that the OPEC countries can maintain the present oil price in real terms and that the industrial world achieves a rather high growth rate of 4.9 per cent. a year for the rest of the decade, the World Bank believes the oil exporters will accumulate $403.1bn. by 1980, with Saudi Arabia and the Gulf States accounting for $347.7bn. In 1974 dollars, however, this would be equivalent to $244.0bn.

But, if the oil price slips back to the equivalent of $7.50 a barrel in 1974 dollars, aggregate OPEC reserves are likely to be $308bn. by the end of the decade. A second set of forecasts assumes a much lower OECD growth rate of about 4 per cent. a year on average, and produces an OPEC surplus of $267.3bn. by 1980, provided the producers maintain the present price in real terms.

But should they fail to raise the price in line with inflation and it declines to $7.50 in 1974 dollars, then combined with low growth in the OECD area the World Bank believes that OPEC's combined surplus would be about $202.3bn. in 1980—or the equivalent of $122.5bn. at last year's prices.

The World Bank's latest forecasts are appreciably lower than those it made last year, and which predicted OPEC would accumulate as much as $653bn. by the end of the decade. The explanation lies in OPEC's larger than expected appetite for western imports. All the same, the new figures are still extremely large in absolute terms and much bigger than many other forecasts.

Turning to the outlook for the developing countries during the rest of the decade, the World Bank says that even on the most optimistic assumptions there is no chance of their achieving the growth targets set by the UN for the second development decade. It calls the increased oil price "a major element" in the deterioration of their terms of trade and says that their prospects would be significantly improved if the real price could be allowed to decline by even 20 per cent. over the next five years to the equivalent of $7.50 in last year's dollars.

New SEC rules mean more bank disclosures

BY JAY PALMER

NEW YORK, July 14.

AMERICA'S largest banks will almost certainly have to disclose a dramatically increased amount of information about current foreign operations as from next year. Following months of negotiations and heavy pressure from Congress, the Securities and Exchange Commission and the three bank regulatory agencies have finally agreed on the new tougher disclosure standards for the industry.

The new rules, which are likely to be formally proposed this autumn and could well be effective as from early next year, are aimed at closing regulatory gaps which allowed both the Franklin National Bank and the U.S. National Bank of San Diego to fail almost without warning. At the same time Congress has become increasingly concerned over unidentified commitments in little regulated foreign capital markets.

Under the plan, which is seen to be largely the brainchild of the SEC, America's 400 bank holding companies and most of its large and medium-sized banks will be forced to give out far greater amounts of information on both delinquent loans and foreign operations. While larger banks will be forced to give out more information than smaller ones, the exact definition of "large" has not yet been determined although it is expected to include those with over $300m. in assets or deposits.

The precise disclosure to be required will include an analysis of the effect on income of the possible non-payment of interest on all loans more than 60 days overdue. Claims of foreigners and all liabilities to foreigners will have to be broken down both in general and geographical categories while unused commitments to extend credit must be detailed. A method for requiring and detailing "high risk" loans is still being worked out.

While satisfying SEC demands for greater disclosure, the new standards are likely to be bitterly contested by the banking industry on the grounds that too much pessimistic information given to shareholders can damage capital-raising ability. With at least some banks still finding that disclosure of outstanding loans to the troubled real-estate investment trust industry shuts them out of the capital markets, this is a particularly sensitive issue at the moment.

Two more banks lift prime rate

By Guy de Jonquieres

NEW YORK, July 14.

FIRST National Bank of Chicago and Mellon National Bank of Pittsburgh raised their prime rates to 7¼ per cent. from seven per cent. to-day, following the move initiated by First National City Bank of New York on Friday.

No other large New York bank has yet followed Citibank's move and most seem reluctant to act while they are uncertain whether the recent hardening in short term money market rates amounts to more than a temporary phenomenon.

The big money-centre banks are also sensitive to the political consequences of increasing their lending rates at a moment when the economy seems poised on the brink of recovery. The rise in short-term rates has already brought criticisms from the Democrats in Congress, though these have so far been aimed chiefly at the Federal Reserve Board.

It is thought probable that some smaller regional banks will seize the opportunity to raise their prime rates in order to improve their margins. But in the immediate future the evidence is starting to suggest that the recent increase in bank borrowing costs may have levelled out.

Postal service predicts new loss

By Jay Palmer

NEW YORK, July 14.

THE U.S. Postal Service is once again, in dire financial trouble. In addition to an immediate cash-flow shortage of around $300m. which will have to be borrowed from the Treasury to meet payrolls, Postal Service officials are now predicting that the independent government agency will make a large loss both this fiscal year and in 1976-77 despite planned rate boosts this autumn.

The agency's gloomy predictions, which seem certain to harden Congressional opposition to the Service's continued independence, follow hard on its estimated 1974-75 deficit of $858m.

The new loss predictions, which many argue are in any case too conservative, will at the same time complicate the Service's pending labour negotiations and rate-increase case.

In the current fiscal year starting this month, according to Mr. Ralph Nicholson, the Service's senior financial officer, the Postal Service will make an operating loss of at least $590m. even if the maximum allowable 30 per cent. rate increase is allowed as of the beginning of September. At the same time a further $200m. will be required to re-pay maturing short-term debt.

CARIBBEAN COMMON MARKET

Jealous of Venezuela

BY DAVID RENWICK, PORT OF SPAIN CORRESPONDENT

CARICOM, the Caribbean Community and Common Market, has hit a bad patch and relations are strained between some of the leading politicians in the member countries.

In Trinidad and Tobago the ruling party, the People's National Movement, of which Dr. Eric Williams is political leader (and, by virtue of that, Prime Minister), discussed the matter in special session in mid-June and passed a resolution urgently pledging its "continued support for the promotion of Caribbean integration as developed in the Caribbean Community Treaty signed at Chaguaramas, Trinidad, in July, 1973." There is some irritation in the ranks of the PNM, however, that not everybody in the Caribbean appears to see the threat in precisely the same light. That is why Dr. Williams and Mr. Michael Manley, Prime Minister of Jamaica, have taken to trading harsh words back and forth across the wide expanse of the Caribbean sea.

Dr. Williams's argument is that CARICOM could easily be blown off course if a trend that has recently emerged is not quickly reversed. He objects to what he considers the tendency of a number of the Community's member Governments to negotiate bilateral agreements with other countries, Latin American nations in particular, in which provisions are included that could be regarded as being in conflict with the aims and objectives of CARICOM itself.

A similar concern was expressed some years ago when Caribbean countries first became worried about the effects British membership of the European Economic Community might have on their commodity exports and began discussing ways of safeguarding that trade. It took some persuading for all the Caribbean territories, few of which are at exactly the same stage of development, to accept that the nascent integration movement, which had just begun to gain some ground in the region, could be imperilled unless all of its members handled any negotiations with the EEC as a bloc and avoided any temptation to make bilateral deals.

As it turned out, the collective argument prevailed and Caribbean Community countries not only stuck together, but joined forces with the African and Pacific states to conclude an extensive commercial arrangement with the EEC enshrined in the Convention of Lome. That is how CARICOM would like to see its members approach relations with other countries, especially Latin American countries, which are so close geographically and many of which have been making strong overtures to their English-speaking neighbours.

Venezuela, which itself has a Caribbean coastline, has been singled out for special attention.

Dr. Williams told his special party convention: "Bilateralism is eroding the multilateral emphasis explicit in the Community, and the bilateralism has all the hallmarks of the colonialism implicit in all the statements of Venezuelan publicists—the new Venezuela they preach of in the context of the old colonialism of the Caribbean."

> "Bilateralism is eroding the multilateral emphasis explicit in the Community"—Dr. Eric Williams, Prime Minister of Trinidad and Tobago.

Dr. Williams firmly believes that Venezuela is using petro-dollars to win friends and influence neighbours in the area and that many of the plans which Trinidad and Tobago itself has discussed with its CARICOM partners and was prepared to finance from its own oil revenues are being neutralised by Venezuelan manoeuvres. He is particularly bitter about Jamaica's involvement with Venezuela and Mexico in bauxite-alumina-aluminium projects, seeing these as exactly the sort of initiatives which disrupt CARICOM's own economic integration arrangement. A year ago, Dr. Williams, Mr. Manley, and Guyana's Prime Minister, Mr. Forbes Burnham, met in Port of Spain and decided to build two aluminium smelters in the CARICOM region, the first to be sited in Trinidad by 1979 and the second to be established in Guyana in the early 1980s. The capacity of each was to be 200,000 tons a year. In the case of the Trinidad-based smelter, both Jamaica and Guyana would supply the alumina and Trinidad the natural gas, low-cost power being an essential requirement in the competitive production of primary aluminium ingots. However, following an official visit by Mr. Manley to Caracas, it was announced that Jamaica would also supply Venezuela with inputs for its existing smelter, which the Venezuelan Government intends to upgrade from the present capacity of 55,000 tons a year to 330,000 tons. Mr. Manley agreed to provide 400,000 tons of bauxite annually for three years, and 500,000 tons for the following seven, as well as 200,000 tons of alumina for 10 years.

Jamaica had earlier also agreed to supply alumina to a 120,000 metric ton smelter, being constructed in Mexico with 29 per cent. Jamaica Government participation. The Venezuelan Government invited Jamaica to take 10 per cent. equity in the expanded smelter facility in Venezuela.

Criticising the Jamaica-Venezuela partnership in particular, Dr. Williams said it was difficult to view it as anything but "a calculated attack on the smelter project announced by the Governments of Guyana, Jamaica and Trinidad and Tobago." He said that the Ministry of Industry and Commerce would make a "thorough in-depth study of the project in the context of the Venezuelan production proposals before any resumption of negotiations."

At the special convention to discuss the threat to CARICOM, Dr. Williams also came down heavily against the Venezuelan decision to allow Jamaica to participate in the special oil rebate worked out last year with the Central American republics. Jamaica will pay the pre-October, 1973, price for Venezuelan oil and the difference between that and the current market price will be regarded as a loan on deferred payment, the money to be used to buy other Venezuelan goods which can be used in Jamaica's development programme. As much as £42.2m. is involved and it is the largest of all the rebates Venezuela has given under this scheme to any country.

"If Venezuela were ever to develop a policy designed especially as an attack on Trinidad as an oil competitor and to supplant Trinidad oil in CARICOM," Mr. Williams said, "that policy would not differ materially from agreements such as this one." Mr. George Chambers, the Trinidad and Tobago Finance Minister, is examining how the Venezuelan oil deal with Jamaica will affect Trinidad's petroleum sales to CARICOM, which were worth $32.9m. in 1974, one-third of all the country's oil exports, including bunkers.

The unkindest cut of all, as far as Dr. Williams is concerned, must be Guyana's approach to Venezuela, which has resulted in the promise of a multi-million dollar line of credit, to go towards the purchase of Venezuelan machinery and equipment. Though Venezuela still officially has a boundary dispute with Guyana, long-term arrangements for the sale of Guyana bauxite and alumina to Venezuela are being talked about (Guyana is already committed to provide 200,000 tons of alumina a year to the proposed Trinidad smelter). Venezuela-Guyana co-operation in iron and steel, cement and hydro-electric power, has also been discussed.

In addition to Jamaica and Guyana, the "pilgrimage to Caracas," as the Trinidad Prime Minister calls it, has included Mr. Eric Gairy, Prime Minister of Grenada (who, before his visit, publicly rejected the Williams thesis of Venezuelan neo-colonialism), Mr. George Walter, Premier of Antigua, and Mr. Robert Bradshaw, Premier of St. Kitts-Nevis-Anguilla. All were given promises of one kind or another.

If this growing "network of bilateral economic arrangements," as Dr. Williams calls it, ever succeeded in causing CARICOM permanent injury, as it is felt might be the case, the prime loser would be Trinidad and Tobago itself.

The country exports four times as much to CARICOM's 11 other members as it buys from them, and the significant aspect of this trade is the opportunity it has opened up for the sale of Trinidad's light manufactured products.

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OVERSEAS NEWS

Party vote shows depth of anti-Whitlam feeling

BY KEN RANDALL

CANBERRA, July 14.

MR. FRANK CREAN, 59, the Minister for Overseas Trade and former Treasurer, became Deputy Prime Minister of Australia to-day after the Parliamentary Labour Party endorsed the Prime Minister's dismissal from cabinet of Dr. Jim Cairns.

It is only eight months since Mr. Crean was removed from the Treasury portfolio by Mr. Whitlam to make way for Dr. Cairns.

Six weeks ago, Dr. Cairns was also removed from Treasury to the Environment Ministry because of his involvement in unorthodox attempts to locate petro-dollar loan funds. A fortnight ago, Mr. Whitlam sacked him from the Cabinet for misleading Parliament about those same activities.

The sacking did not directly affect Dr. Cairns' position as deputy leader but at the outset of to-day's special meeting of the party, Mr. Whitlam moved that the position be declared vacant. After two hours of tense and sometimes heated debate the motion was carried by 55 votes to 33.

Dr. Cairns and his mostly left-wing supporters, including three Ministers, argued bitterly that Mr. Whitlam had exceeded his authority as leader by sacking a Minister without consulting the parliamentary party which elects the Ministry.

At one stage, there was a move to declare vacant all leadership and ministerial positions for a new election. Immediately afterwards, direct censure of Mr. Whitlam was moved. Both motions, however, were ruled out of order because they went beyond the strictly defined purposes for which the special meeting had been called.

Mr. Whitlam left the party members in no doubt that they were choosing between him and Dr. Cairns and the ultimatum clearly swayed a number of crucial votes. Dr. Cairns said he was being tried on the basis of his acceptability to the Press and that Mr. Whitlam was attempting to make the Labour Party his personal tool.

Dr. Cairns did not recontest the deputy leadership after his defeat on the main test vote and, in a field of four, Mr. Crean won comfortably from the Minister for Education, Mr. Kim Beazley.

Dr. Cairns, however, was one of the nine who were nominated for the vacancy he had left in the 27-man ministry. On primary votes, he topped the list with 27, but distribution of preferences gave the job to West Australian MP, Mr. Joe Berinson.

In both votes affecting him, Dr. Cairns' support came as a surprise, despite strong campaigning on his behalf by the union and labor factions outside the parliamentary party.

The votes again showed the depth of resentment at Mr. Whitlam's style of leadership and will make it even more difficult than expected to rebuild a facade of party unity. Mr. Crean, however, discounted any suggestion of challenging for the leadership from his new position.

"It will give me time," he said, "to get around and do some of the bridge-building which is so essential to this party."

Mr. Crean also said that he was opposed to the Government's petro-dollar loan-raising activities, which enter a new phase of potential controversy tomorrow with the opening of an inquiry by the full Senate. Twelve prominent public servants have been summoned to the bar of the Senate to be questioned about the government's actions.

New moves from Israel as envoy flies out

By L. Daniel

TEL AVIV, July 14.

THE IMPRESSION that Israel may be dragging her feet, which appears to have been created in some quarters abroad by Premier Yitzhak Rabin's warning that the negotiations for a further interim settlement with Egypt might be protracted, has been quickly dispelled.

The Israeli Ambassador to Washington, Mr. Simha Dinitz, who has to present U.S. Secretary of State Dr. Kissinger with the Israei Government's latest reactions and requests for "clarification," left this afternoon for London, earlier than expected.

This followed a further meeting this morning of the three-man Israeli negotiating team (Premier Rabin, Defence Minister Peres and Foreign Minister Allon).

The indication that things are in fact moving fast is reinforced by the presence, on the same plane as Mr. Dinitz, of Mr. Allon, who is to meet Israel's Ambassadors in Europe to brief them on the latest developments. Ambassador Dinitz will also participate in this briefing and then proceed to the U.S. He is expected to meet Dr. Kissinger on Thursday or Friday and, after receiving further clarifications, is likely to return to Jerusalem some time next week.

The clarifications appear to concern mainly—as far as Egypt is concerned—the exact location of the new line of separation of forces in Sinai and the manning of the Israeli and Egyptian early warning systems, as well as several political questions. From the U.S., Jerusalem wants a more detailed assurance of the aid which it may expect should a further agreement with Egypt be concluded.

Tax cuts in New Zealand

By Dai Hayward

WELLINGTON, July 14

NEW ZEALANDERS will pay less income tax from to-morrow as tax cuts announced in the budget in May come into force.

Tax cuts were part of the Labour Government's package to curb inflation by persuading trade unions to accept limits on future wage demands.

Tax cuts will cost Exchequer $NZ90m. a year. Those earning between $50 and $90 will take home between $1-$4 more in weekly pay packets. Tax cuts were linked with 11 cents an hour pay rises for all workers covered by industrial awards.

These also come into force to-morrow. However, future wage increases for the next 12 months are limited to 2½ per cent. This covers all wage negotiations between trade unions and employers.

Gandhi appeal set

NEW DELHI, July 14.

THE SUPREME Court to-day fixed August 11 for the hearing of Prime Minister Indira Gandhi's appeal against conviction in the High Court for corrupt electoral practices.

The date was fixed by the Chief Justice of India, Mr. A. N. Ray, sitting with a bench of three other judges.

On June 12 the Prime Minister was convicted of electoral malpractice and barred from holding public office for six years.

The charges against Mrs. Gandhi were brought by Mr. Raj Narain, whom she defeated in the 1971 General Election in the Rae Bareli constituency in Uttar Pradesh State.

The composition of the bench to hear the appeal was not announced but it is expected to comprise five of India's 13 Supreme Court Judges.

Counsel for the Prime Minister had asked that the formal hearing of the appeal should begin next week.

Mr. Shanto Bhushan, appearing for Mr. Narain, who was jailed last month, said he would be engaged with cases in Bombay for the next month.

He said he was facing additional hardship with his petitioner under detention. Another counsel who assisted him in the Allahabad high court hearing and in the stay application proceedings before the Supreme Court last month had also been detained, he said. Reuter

Oil reservoir 'for Eilat'

By L. Daniel

TEL AVIV, July 14

A HUGE subterranean oil reservoir is being dug near Eilat, the Israeli port on the Gulf of Aqaba, and will be completed within a year, according to the daily newspaper Ma' Ariv.

The report linked the construction of the reservoir near the start of the Eilat-Ashkelon pipeline to earlier reports that the U.S. had undertaken to underwrite the construction of such a reservoir and to ensure that it would be kept topped up, as compensation for Israeli withdrawal from the Abu Rudeis oilfields within the framework of another interim agreement with Egypt.

Some reports say that the reservoir is to be big enough to hold a year's supply (annual requirements run at 8m. tons in normal circumstances. Other locations are being investigated.

FRANCE, GUINEA REACH ACCORD

By Rupert Cornwell

PARIS, July 14.

AFTER almost 17 years of suspicion and hostility, France and her former West African colony of Guinea have made their peace. The two countries have agreed to normalise relations, starting with an exchange of diplomats in the near future.

Trouble started as long ago as 1958, at the very moment that Guinea achieved independence.

Korea talks refused

SEOUL, July 14.

NORTH KOREA has rejected a renewed call for talks with South Korea through the South-North Co-ordinating Committee," a South Korean spokesman said to-day.

North Korea, in a telephone message, refused a meeting of the deputy chairmen of the committee South Korea had sought for to-morrow at the truce village of Panmunjom.

In the message, North Korea contended that it was nonsense for South Korea to seek resumed talks with the North unless the South called off its anti-Communist policies, cancelled a series of measures it has recently taken to strengthen security, and retracted South Korea's demand for separate membership for South and North Korea in the United Nations.

In a statement last Wednesday, Chang Key-Young, acting southern chairman of the committee formed to tackle problems between the two Koreas, proposed that a vice co-chairmen's meeting of the body be held on July 15, to be followed by a full session of the committee in the North Korean capital of Pyongyang before August 15.

In another development, officials said South Korea has lifted an emergency duty order for Government personnel issued on Saturday following a North Korean intrusion into southern waters in the Yellow Sea. UPI

CHINA'S POPULATION

The missing millions

BY COLINA MacDOUGALL

CHINA'S POPULATION may be over 1bn. or even more than 1.1bn., according to Mr. John S. Aird, chief of the Foreign Demographic Analysis division of the U.S. Department of Commerce, at a conference in London run by the Contemporary China Institute. This huge number compares with the estimate published recently by the CIA of 927m., and the much more conservative school of thought in the U.S., represented by Mr. Leo A Orleans, China specialist at the U.S. Library of Congress, in his book *Every Fifth Child* which projected a 1975 figure of only 818m. The true figure probably lies somewhere between 900m. and 1bn., and this huge disparity among western experts would seem absurd except that the Chinese Government itself is frequently muddled and contradictory on the same issue.

Premier Chou En-lai himself, in his report to the National People's Congress last January, used contradictory figures in successive sentences. China's population, he said first, has increased by 60 per cent. since 1949, implying (on the basis of the official 1949 figure of 542m.) a total of 817m. He then went on to speak of a "a country like ours, with a population of nearly 800m.").

Vice-Premier Li Hsien-nien in 1971 gave a slightly comic account during a visit to Egypt when he told a Cairo newspaper: "The officials at the Supply and Grain department say confidently 'the number is 800m.' Officials outside the Grain department say the population is 750m. only, while the Ministry of Commerce affirms that the number is 830m. However, the Planning Department insists that the number is less than 750m." This makes it pretty clear that even the leadership has no accurate idea what the true figure is.

It tried to find out in 1953. With only six months' preparation, it launched a census which has been the basis of all foreign estimates since. Some kind of count was held in 1964, but the results were never published and it does not seem to have given the leadership any fresh figures. Unfortunately, in 1953, the lack of training given to enumerators, the reluctance of all Chinese to be counted, the inexperience of the new Communist Government, and the form the census took, have ever since made the results questionable. It was run on a household basis, and heads of households were intended to come forward to register. There was no universal count on a fixed day, and the problem of whom to include as part of the household and the months that elapsed while the registration took place must have given rise to many errors.

> ". . . . . the Chinese Government itself is frequently muddled and contradictory on the same issue."

Registration of births and deaths was continued for several years thereafter, but it proved almost impossible to impress on the average Chinese that this was important, particularly in the case of an infant, while mortality among older children or adults was sometimes considered too distressing to report. In the cities people sometimes avoided registration as they wished to remain concealed. Where a family was drawing rations for a relative there was no hurry to notify a death, while at the time of land reform in early 1950s it paid to exaggerate the size of the family in order to get a bigger share of land. Thus all kinds of motives both at the time of the census and later, impelled people either to under- or over-declare the number of family members.

It is difficult to estimate which tendency predominated. Mr. Aird believes that the most reliable clue was the result of checks made in some areas shortly after the census. Only a few of these were carried out thoroughly, but those that were all showed a significant undercount. For that reason he maintains the 1953 figure was 5-15 per cent. too low, and estimates, that the true figure was 615m.-685m. That gives him the base for his 925m.-1,125m. estimate for 1975. Mr. Orleans, on the other hand, believing that under- and over-statement balanced out, accepts the 1953 Chinese total.

To arrive at figures for 1975 requires estimating population increases rates since 1953, and these are as difficult to judge as the census total. Very little information is available on which to calculate them, as no breakdowns of the 1953 census were published. Premier Chou's percentage increase given at the NPC this year works out at slightly under 2 per cent. annually which seems on the low side for a country that has only recently taken to family planning in a big way. Official figures for the 1950s (not necessarily accurate, but all that are available) show a rise of over 2 per cent. annually which (with the exception of the hungry years 1959-61) probably continued through the 1960s. Recently the Chinese have claimed some startling drops in individual areas, but these have probably not yet made much impact on the nationwide increase figure.

Mr. Aird's annual increase figures, higher in some periods and lower in others, average out at somewhat over 2 per cent. annually. He has recently raised his original projection for the population in 1975 from a maximum just over 1bn. to over 1.1bn. because he feels that the increase rate may have risen during the Cultural Revolution, when family planning propaganda completely lapsed. Furthermore, millions of Red Guards moved freely about the country "exchanging experiences," and in some instances, when the leadership re-established control, a swift marriage saved young city people from dispatch to the countryside. Mr. Orleans gets his much lower 1975 total by accepting the official 1953 figure from 1960 applying a much lower increase rate, mainly because he feels that family planning propaganda in the early 1960s was effective. He probably attributes too much success to this, though, as it was before the introduction of oral contraceptives which seem to be the only preventive to make a marked impact.

The growing stress on late marriage, family planning and the much more efficient and widespread use of oral contraceptives is, Mr. Aird believes, unlikely to have had much effect on the birth rate until 1973. Furthermore, as he pointed out earlier, a lowering of the birth rate through the distribution of contraceptives was very likely to be accompanied by a lowering of the deathrate: both drop because of the spread of simple health services. However, mass production of an extremely convenient type of pill, reported last year, seems likely to have made a real difference, though the problem of persuading a still conservative rural population to take it remain (especially as it sometimes has severe side effects).

One of the most persuasive arguments against accepting the higher estimates is that China could not feed so many people. Since no-one seems to be starving at present, the food supply must be enough for the population. In theory it is possible to calculate the number of calories per head available from grain supplies. However, no-one has any idea what contribution to diet is currently made by foods other than grain, and this could now be quite considerable. Pig rearing and fish farming have grown enormously in the last few years, while the peasants' lovingly tended private plots produce abundant vegetables. So the population could indeed be larger than Peking realises and still be adequately fed.

Even though the leadership now seems to use around 800m. as the official figure, most of the reasoning — evidence is too strong a word—suggests that the lower Aird figure and the CIA, at around 925m., could well be in the right bracket. But what concerns the Chinese most now is not so much the size as the need to stabilise the population so as to raise living standards. At last the government seems to have both the will and the medical and technical knowledge to do so: the crucial step now is to make an impact on the peasants.

APPOINTMENTS

(Continued on Page 2)

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Helsinki summit date set

By Our Own Correspondent

GENEVA, July 14

THE 35-NATION European Security Conference, after a week of last-minute corridor compromises, to-day set July 30 in Helsinki for its final phase at summit level. This was agreed as the "target date" to be confirmed during the week when odds and ends are cleared away.

The only remaining issue of substance concerned Turkish demands for special treatment on the question of prior notification of military manoeuvres—a so-called "confidence-building measure."

General agreement has been reached among the other 34 participating states that "if they so wish" they can give 21-days' notice of manoeuvres involving more than 25,000 men and taking place within 250 kilometres of someone else's territory. Turkey says these limits should be increased in its case because of its multitude of foreign frontiers.

To-day's agreement on the summit target date followed a compromise on the Mediterranean chapter. Malta succeeded in its demand that this article contain agreement to hold future exchanges among all Mediterranean states on reducing armed forces in the region.

Once this was settled, other pieces fell into place, particularly an article dealing with follow-up review meetings.

EEC Council may consider return to fixed parities

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, July 14

EEC MINISTERS to-morrow start a series of important meetings in Brussels, culminating in the latest of the Nine's regular summit conferences that starts here on Wednesday afternoon. No earth-shaking decisions are likely to emerge from the summit, although the Heads of Government are expected to endorse current moves to resume the interrupted dialogue between oil consumers and producers, and broadly approve a new Community approach to world raw materials policies.

Monetary problems are also now expected to play a major role at the summit—or European Council, as it is officially called—following last week's statement by French President Giscard d'Estaing that he intends to raise the issue in Brussels. At a Press conference here to-day M. François-Xavier Ortoli, the Commission President, gave his support to French demands for a return to fixed exchange rates in the reasonably near future.

France's partners, however, have not yet any very clear idea what M. Giscard d'Estaing is really seeking, and will want further details of his call for an international monetary summit in the autumn. If he is proposing an early return to fixed parities, the U.K., among others, will find it hard to show any enthusiasm.

Mr. Harold Wilson will be expected to give some indication of his current thinking on Europe when the summit discusses "The Community after the U.K. referendum," placed on the agenda at French request. The Prime Minister is expected here to point out that for the moment the main priority, both for Britain and the Community, must be to solve the U.K.'s economic problems—and that only thereafter can there be serious discussion of new moves towards European integration.

He is not expected to go much further than in the past on direct elections to the European Parliament, supported by all the other countries except Denmark, except to say that the Government is prepared to study the proposals further.

Mr. Wilson is likely, on the other hand, to play a leading role in the discussion on raw materials, particularly as recommendations drawn up by the Brussels Commission largely echo his own plan submitted to the Commonwealth Conference in Jamaica. Here the U.K. will be looking for broad agreement on the principles of a new world system, including measures to limit price fluctuations and stabilise the export earnings of developing countries.

There will be a general discussion of the world and EEC economic situation, in which the other countries are likely to express concern at the failure of Government measures to reflate the German economy. On the foreign policy front, Portugal and the East-West conference on security and co-operation in Europe are bound to be raised, and the Euro-Arab dialogue may also be discussed.

The Foreign Ministers may discuss Washington's request for Community aid to Egypt as part of any packaged peace settlement in the Middle East.

Soames calls for Centre-Right 'pact'

BY REGINALD DALE

BRUSSELS, July 14.

SIR CHRISTOPHER Soames, Vice-President of the EEC Commission, to-day called on "Centre-Right" parties in the Community to join in a new common alignment on the major issues facing Europe. His clear message was that parties such as the British Conservatives and their Continental equivalents must not remain organised on strictly national lines while Left-wing parties were beginning to operate at European level.

Sir Christopher, a former Tory Minister, pointed out that with the arrival of the British Labour Party in Strasbourg last week, the Socialist group was now the largest in the European Parliament. Christian Democrats, Conservatives, Gaullists and Liberals, however, still worked separately in Strasbourg.

All these parties shared certain fundamental principles, including commitments to individual freedom, social unity and a mixed economy, Sir Christopher told the European Conservative Forum in Brussels. The "stuff of party politics" would be more and more in evidence at European levels, and the Centre-Right parties would be increasingly able to identify common interests to reinforce their alignment.

Above all, Sir Christopher said, "We of the Centre-Right will find our cohesion and capacity for common action tested by the strength of the rival political forces which are also contending for influence in Europe." The Community would not be governed by alternating political groups in and out of office, but each party must assume its share of practical responsibility for the conduct of a "permanent working coalition" at EEC level.

Sir Christopher's message was also clearly addressed to British Conservatives, who, he said, had been guilty of "failures of mutual understanding."

FOREIGN BANKS IN SWITZERLAND

Falling behind London

BY JOHN WICKS, ZURICH CORRESPONDENT

TEN YEARS ago, a leading light of the Swiss Banking Commission, Dr. Paul Rossy, said that God meant his country to be the clearing house of the world. The theology of the statement may be debatable, but the basic judgment behind it was more or less shared by the powers-that-be in Switzerland. Zurich and, to a lesser extent, Geneva consolidated their position as major financial centres from year to year, attracting in the process almost 100 foreign-owned banking companies or branches by 1971, as well as a considerable number of representative offices of foreign banks.

But in the past few years Switzerland has lost much of its attraction as an outpost for foreign banks. From the end of 1971 to the end of last year, only three new foreign banks were established there, compared with 47 set up in London and 38 in Luxembourg. Over the same period, 17 new branches of foreign banks were registered in Germany. In the U.S. 38 foreign banks were formed within two years of the end of 1972. This growth of the number of establishments was accompanied by a much faster increase of the aggregate balance sheet totals of the foreign banks' establishments in other European centres. From 1970 to 1974, for example, those in London almost tripled, while total assets of Switzerland's foreign banks rose only by some 45 per cent. Dr. Erik Gasser, general manager of J. Henry Schroder Bank AG and President of the Association of Foreign Banks in Switzerland, sees this as evidence that the growth of the Euro-market over the period was borne primarily by finance centres such as London and Luxembourg and the foreign banks based there, and only to a very modest degree by Switzerland.

The international banking community's recent preference for locations outside the traditional Swiss base is due largely to measures passed by the same administrators in Berne and Zurich who not long ago were all out to make the country into a bigger and better clearing house. As Dr. Gasser says, they have been highly successful in putting a brake on the expansion of Switzerland's foreign banks in the international credit business.

One initial reason is simply that the Banking Commission to-day insists on the statutory reciprocity principle, calling for the home country of a bank wishing to set up a Swiss branch or subsidiary to be prepared to grant similar facilities to Swiss banks. This works not only against such countries as those of the Communist world—a company like Russia's Wozchod Handelsbank in Zurich would hardly be formed to-day, and all talk about plans for a Chinese bank has ceased—but also concerns Western countries such as Italy, Spain, or Sweden. Even individual U.S. states, for example Illinois, would run into difficulties to-day with a request for creation of a new Swiss branch of a bank with headquarters there. No details are given by the Commission of applications rejected: the number is probably small, since banks abroad now know whether they have a chance of being accepted.

> "In the past few years, Switzerland has lost much of its attraction as an outpost for foreign banks."

Much more of a disadvantage, and one which hits the 101 active foreign banks already operating in Switzerland, is that of capital ratios. Banks whose foreign assets exceed 50 per cent. of liabilities are subject to relatively very high equity-ratio requirements. In the case of foreign banks the required ratio of company owned capital to total liabilities averages out at about 11 per cent., as compared with something like 7 per cent. in London and only 3-4 per cent. in Luxembourg and Paris. Swiss-controlled banks are subject to the same rules, but much less affected owing to their higher shares of domestic business and generally bigger capital bases. International banking concerns do not find it worth their while to develop additional credit business via Swiss branches or subsidiaries. At the same time, there is no real chance for the foreign banks to expand their domestic Swiss credit business, and even after the recent removal of ceilings on the growth of domestic credit, foreign banks still probably hardly exceed about 4 per cent. of the overall domestic credit volume.

Minimum-reserve requirements at present no longer play the same role as they did a few months ago, since the National Bank is successively cutting the sums to be deposited by commercial banks for purposes of its liquidity policy. Switzerland's foreign banks, whose total assets in 1974 were equal to under 10 per cent. of the combined figure of Sw.Frs.280bn. (about £48bn.) for the entire banking community, to-day account for almost one-third of the Sw.Frs.250m. held by the National Bank as minimum reserves in respect of foreign liabilities. A change of policy here once the authorities thought it desirable, could again make this a serious factor to be reckoned with. The foreign banks feel the minimum-reserve rules are not really fair, since they argue that the nature of their business is not really relevant to internal liquidity.

Like all banks in Switzerland with important interests in the foreign exchange business, the foreign-controlled banks are hampered by new National Bank rules calling for daily balancing of spot positions and a daily reporting system. The Banking Commission, for its part, lays down that open positions should not exceed 40 per cent. of equity, although this is no particular problem in that banks would probably not want to exceed this ceiling. What bothers the foreign banks much more is the Commission's ruling that forward exchange positions should be fully included in loan exposure limits, even though not the full amount but only a margin is ever at risk until the day of settlement. This is generally considered an unjustifiable inflation of the loan exposure limits for the foreign banks with their usually small equity capital. There are signs, however, that steps may be taken to reduce pressure here. Dr. Albert Matter, the Banking Commission president, said last month that it was his "personal opinion" that rather higher foreign exchange risk limits could be accorded to the foreign branches of financially strong foreign banking houses.

All in all, as Chemical Bank's Zurich foreign exchange director Miss Ingrid Eigenmann says the foreign banks have adjusted to the controls and now work on a rather more limited scale in this sector. But some foreign banks with too big a commitment in their overall business to now are taking steps to concentrate rather more on other branches of classical banking, she claims.

In the past few years foreign banks in Switzerland have been involved in various headline stories, few of them particularly positive. Partly as a result of one of the biggest scandals, the 1965 crash of a St. Gall bank owned by a Spanish financier, Julio Munoz, the Government made things more difficult for foreign interests to set up or take over banks in Switzerland. The regulations in question and those governing such matters as advertising methods are no special burden by traditional standards, but the processing of applications can take a lot of time, as when National Westminster recently acquired from the Nestle group a majority shareholding in Handelsbank of Zurich.

The Swiss authorities in public definitely differentiate between one genus of foreign bank and another. Dr. Matter, addressing the Association of Foreign Banks in Berne in June, complained that foreign banks figured relatively large among the 70 banks which "repeatedly present the commission with problems," but hastened to add that branches and subsidiaries of reputable foreign banks were fully equal to Swiss competition in their business practices, selecting clients carefully, and never alleged to be providing a home for dubious funds. In general, he stressed, foreign banks did not harm Switzerland's reputation as a financial centre. He was, however, concerned much more about undertakings lacking the support of a strong parent abroad. These were, he said, usually controlled by foreign financiers or financial and industrial groups, "or no single majority shareholder could be determined, with share stakes passing from hand to hand." These banks were often led into high-risk financial transactions due to the absence of sufficient backing, he said.

Whatever their problems, foreign banks are still doing pretty well in Switzerland. Last year, the 86 foreign-controlled incorporated banks and 15 branch offices booked total assets of Sw.Frs.27.7bn. This was a 1 per cent. fall from 1973, caused mainly by valuation changes linked to currency and stock market developments. In fact, some three-quarters of all foreign banks in the country improved their profits last year, the Association says.

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On or after 19th December 1975 stock may be exchanged into bonds to bearer which will be available in denominations of £100, £200, £500, £1,000, £5,000, £10,000 and £50,000. Bonds will be free of stamp duty.

Stock will be interchangeable with bonds without payment of any fee.

Interest will be payable half-yearly on 22nd January and 22nd July. The first payment will be made on 22nd January 1976 at the rate of £6.97 per £100 of the Loan. Warrants for interest on stock will be transmitted by post; income tax will be deducted from payments of more than £5 per annum. Interest on bonds to bearer, less income tax, will be paid by coupon.

Stock and bonds of this issue and the interest payable thereon will be exempt from all United Kingdom taxation, present or future, so long as it is shown that the stock or bonds are in the beneficial ownership of persons who are neither domiciled nor ordinarily resident in the United Kingdom of Great Britain and Northern Ireland.

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For the purposes of the preceding paragraphs, persons are not ordinarily resident in the United Kingdom if they are regarded as not ordinarily resident for the purposes of United Kingdom income tax.

Applications for exemption from United Kingdom income tax should, in the case of interest on stock, be made in such form as may be required by the Commissioners of Inland Revenue. Bearer bond coupons will be paid without deduction of United Kingdom income tax if accompanied by a declaration of ownership in such form as may be required by the Commissioners of Inland Revenue. The appropriate forms may be obtained from the Inspector of Foreign Dividends, Inland Revenue, Lynwood Road, Thames Ditton, Surrey, KT7 0DP.

These exemptions will not entitle a person to claim repayment of tax deducted from interest unless the claim to such repayment is made within the time limit provided for such claims under income tax law: under the provisions of the Taxes Management Act 1970, Section 43 (1), no such claim will be outside this time limit if it is made within six years from the date on which the interest is payable. In addition, these exemptions will not apply so as to exclude the interest from any computation for taxation purposes of the profits of any trade or business carried on in the United Kingdom. Moreover, the allowance of the exemptions is subject to the provisions of any law, present or future, of the United Kingdom directed to preventing avoidance of taxation by persons domiciled, resident, or ordinarily resident in the United Kingdom, and, in particular, the interest will not be exempt from income tax where, under any such provision, it falls to be treated for the purpose of the Income Tax Acts as income of any person resident or ordinarily resident in the United Kingdom.

Applications, which must be accompanied by payment in full for the amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 9AA; a separate cheque must accompany each application. Applications must be for £100 of the Loan or a multiple thereof: no allotment will be made for a less amount than £100 of the Loan. Letters of allotment in respect of the Loan allotted will be despatched by post at the risk of the applicant. In the case of partial allotment, the surplus after providing for payment for the amount allotted will be refunded by cheque.

Letters of allotment may be split into denominations of multiples of £100. They may be lodged for registration forthwith and in any case must be lodged for registration not later than 24th September 1975. Stock may be exchanged for bonds to bearer on or after 19th December 1975.

A commission at the rate of 12.50p per £100 of the Loan will be paid to bankers or stockbrokers on allotments made in respect of applications bearing their stamp.

Prospectuses and application forms may be obtained at the Bank of England, New Issues, Watling Street, London, EC4M 9AA, or at any of the branches of the Bank of England; at the Bank of Ireland, P.O. Box 13, Donegall Place, Belfast, BT1 5BX; from Messrs. Mullens & Co., 15 Moorgate, London, EC2R 6AN; or at any office of The Stock Exchange in the United Kingdom.

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‡ I/We declare that the applicant(s) is/are not resident outside the Scheduled Territories§ and that the security is not being acquired by the applicant(s) as the nominee(s) of any person(s) resident outside those Territories.

.... July, 1975. SIGNATURE ....

PLEASE USE BLOCK LETTERS

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§ The Scheduled Territories at present comprise the United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland and Gibraltar.

Forecasts are gloomy for W. German economy

BY NICHOLAS COLCHESTER

BONN, July 14.

WEST GERMANY will not experience a clear recovery in its economy until the middle of next year, while unemployment will reach 1.3m. in November and 1.5m. next February, according to the president of the respected IFO economics institute, Professor Karl Hettlage. His prediction, published in a newspaper this morning, is the latest in a string of depressing forecasts that have appeared here in recent weeks.

The year has not been a good one for forecasters in officialdom and in the economic institutions, so all forecasts for next year can be treated with the same scepticism granted to the optimistic predictions for 1975 that were made at the beginning of the year. However, it is clear from the development of GNP in the first half that for the full year's figure to equal that of 1974 in real terms will need a remarkable upturn in business in the coming months. The Berlin Economic Institute now reckons that 1975's real production will be down by 6 per cent.

Similarly the figures from the Labour Office already make it obvious that this year will force the German social security system to make heavy use of Government funds. In the first six months the Labour Office paid out DM9.3bn. in unemployment money (about £1.8bn.) and had a deficit of DM4.9bn., of which DM3.8bn. had to be supplied by the Government. For the whole year unemployment money totalling DM18bn. is envisaged of which at least DM7bn. will come from the Finance Ministry. The total compares with DM10bn. in 1974, a year in which the Government had to make no contribution at all.

With the latest unemployment figure, that for June, still registering over 1m. (4.4 per cent.), there is ever more talk of a new Government programme to stimulate the economy. Preparatory work for such a programme is already being done in the Bonn Ministries, but the Government currently says that it will delay its decision over such a move till the end of August when the Cabinet has to work out a supplementary budget for the current year and a basic budget for 1976.

Ceausescu agrees wage, price rises

By Paul Lendvai

BUCHAREST, July 14.

UNPRECEDENTED FLOODS hitting Romania at harvest time have affected up to 1m. hectares of arable land, about 200 industrial enterprises and important railway and communication lines.

These comprehensive figures were announced for the first time by Romanian President Nicolae Ceausescu in an interview granted during the weekend to a group of foreign journalists at his summer residence on the Black Sea coast.

Meanwhile Mr. Ceausescu announced that despite the difficulties wages and salaries would be increased as from to-day.

However at the same time another decree announced steep price increases for fuels, timber, finished wood products, building materials, paper, leather, footwear and sporting articles, and pig iron products.

AFM meets to review ultimatum

BY JANE BERGEROL

LISBON, July 14.

PORTUGAL'S Supreme Revolutionary Council met again in plenary session to-day to hammer out unified line in response to the Popular Democratic Party (PPD) ultimatum for remaining in the crisis-ridden fourth coalition Government. The atmosphere was described by a leading Government minister as "approaching civil war."

The Party's leadership was also meeting to-night to decide whether to adopt a hard line or a compromise attitude to the AFM response. It is divided over tactics of remaining inside Government or following the Socialists out. But there is a growing feeeling it should leave the coalition unless it obtains a firm and clear assurance from the Supreme Council that its conditions will not only be accepted but translated into reality.

Signs that the Armed Forces Movement is trying half-heartedly to paddle back from its plunge into direct democracy multiplied last night when four members of the Supreme Council's political commission spent an hour on television justifying the scheme and emphasising its provisional and long term nature.

Leading officers, including Supreme Council spokesman Captain Vasco Lourenco and former Mozambique High Commissioner Captain Vitor Crespo, insisted that the project was only a guide, and that in any case it would take "20 to 30 years" to implement.

A successful attempt by moderates inside the Supreme Council to postpone until Friday the Armed Forces General Assembly, due to be held to-morrow, is being interpreted as an attempt to force radicals into a less intransigent line, and to use the time gained to impress upon them the danger of their views.

The future of the coalition is in the balance with the Popular Democratic Party divided as to its future role. The Party has spelled out precise conditions for remaining in the coalition. They hinge on respect for the Press law, and would thus require an about-face by the Supreme Council on this fundamental issue. The Ministry of Social Communications (Portugal's information department) was locked in discussion to-day to see what kind of compromise might be worked out, such as handing each major political party an editorial seat on nationalised newspapers, or even turning a nationalised newspaper over to every party.

Swedish orders down

By William Dullforce

STOCKHOLM, July 14.

SWEDISH industry, which rode comfortably through the world recession last year, is at last feeling its bite.

The latest report from the Central Bureau of Statistics shows that industrial deliveries dropped by 2 per cent. at current prices in May compared with May, 1974. As the average price level had risen by 9 per cent. over the period, a substantial fall in the volume of deliveries has occurred.

Companies' order intake during May was 10 per cent. lower than in May last year. The overall value of order books at the end of the month was unchanged from a year previously but the share of exports had dropped from 57 to 54 per cent.

The pulp and paper industry is the worst hit with deliveries down 13 per cent. in May compared with May, 1974, new orders down 34 per cent.

Mass rallies planned in Cyprus

BY OUR OWN CORRESPONDENT

NICOSIA, July 14.

GREEK CYPRIOTS stage mass rallies in Nicosia and other towns to-morrow to mark the first anniversary of the coup against President Makarios which led to the Turkish invasion of the island.

There will be a special session of the House of Representatives to denounce the coup, which was organised by the Greek junta and the Eoka B terrorist organisation, and President Makarios will address the crowds from the ruins of his presidential palace, which was attacked and burnt down by the putschists.

There will be a general stoppage of work in the Greek areas of the island throughout the day. The demonstrations will culminate on Sunday, anniversary of the Turkish invasion. On that day, Turkish Cypriots and mainland Turks will be holding "victory celebrations."

The Greek and Turkish troops have reportedly been put on alert for this week and the United Nations peace-keeping force on the island has taken "the usual precautionary measures," although both sides have assured UN officials that their activities will be kept peaceful.

Our United Nations correspondent writes: A U.N. spokesman to-day confirmed that the third round of the Cyprus talks in Vienna would begin on schedule on July 24 in the presence of Dr. Kurt Waldheim, the UN Secretary-General.

It is widely believed that if there are no definite signs of progress in the talks some other mechanism may have to be sought by the security council to bring about a reconciliation.

● Cyprus Airways announced to-day it will switch to American aircraft "for practical reasons" as from September, although it will continue its long-standing co-operation with British Airways.

Mr. Evdokios Savva, general manager of the airline, said Cyprus Airways will be using two DC-9 jet airliners for its flights to Athens and London, as well as the shorter services to Beirut, Tel Aviv and Rome. Two of the airliner's British Tridents were damaged and a third completely destroyed during the fighting last year.

All set for a smooth Soyuz-Apollo link-up

BY LORNE BARLING

PREPARATIONS were going ahead smoothly yesterday at both American and Russian launch sites for the Soyuz-Apollo mission which is due to begin to-day. The spacecraft will blast off within 7½ hours of each other, for their historic link-up on Thursday.

At Cape Canaveral, Florida, weather forecasts for the launch at 1950 GMT were good, and astronauts Thomas Stafford, Vance Brand and Donald "Deke" Slayton were waiting in medical quarantine.

At the Soviet launching pad at Baikonor, in Central Asia, where an identical back-up Soyuz is ready in the event of any failure, it was reported that pre-launch operations were on schedule.

The success of the mission, which has been in preparation for five years and ends the long space race between the two countries, will clearly be a major boost to the prestige of both. Officially, it is to test and evaluate procedures and equipment needed for joint operations.

Yesterday Mr. Kurt Waldheim, secretary-general of the United Nations, said the joint mission was an extraordinary and encouraging event. "The pioneering journeys into outer space of Soviet and American astronauts and cosmonauts are one of the great achievements of our century, he said.

One of the Soviet cosmonauts, Alexei Leonov, said the flight should prove useful not only for the two countries concerned, but for all those who will go into space in future. "We regard the flight as a pooling of efforts by peoples in the exploration and conquest of space," he added.

Another cosmonaut Valeri Kubasov, said that one of the main points of the mission was to find a way to help a ship or crew in distress. In the event of difficulties during this mission, the Soviet crew would be able to return to earth in the Apollo vehicle.

Two other Soviet cosmonauts yesterday spent their 51st day in space, but there are no plans for a link-up with the Apollo-Soyuz flight. Soviet officials denied suggestions that the second Soyuz would be launched to link up with their Salyut 4 vehicle, pointing out that the docking system was not compatible.

With the Russians allowing unprecedented news coverage of the event, officials in Moscow indicated yesterday that in future they may give regular advance warning of launches if all goes well on this mission. Until this project, Soviet launches have never been announced until afterwards. Although American newsmen have not been invited to the Baikonur launch, U.S. experts and officials will be present.

● The historic handshake in space, when the two astronauts first meet, will take place over Bognor Regis, according to calculations by the ITN space unit and Kettering Grammar School, Northamptonshire.

Miss the Heathrow traffic instead of your plane

We're sorry, but it's only fair to warn you that essential building and roadworks involved in the construction of the new Piccadilly Line underground link could delay traffic and parking at the airport over the holiday period.

So please don't come by car if you can avoid it. You'll be better off catching an airline coach from a town terminal, a London Transport bus (82,105,140, 223, 285 or A1 Express from Hounslow West) a Green Line coach 724 or 727, or British Rail air-link coaches from Feltham, Reading or Woking stations.

Meanwhile we're improving the airport as fast as we can. Have a good holiday.

British Airports Authority

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HOME NEWS

Moderate Labour MPs act to support Prentice

BY JOHN BOURNE, LOBBY EDITOR

SUPPORT FOR Mr. Reg Prentice, the Minister for Overseas Development, is being organised by Right-wing and centre Labour MPs, before he tries to fight off attempts deprive him of his Parliamentary seat of Newham NE.

A special meeting of his local party's general management committee is to be held tomorrow week to consider demands for his resignation because of his anti-Left views, particularly over the imprisonment of the Shrewsbury pickets.

A letter is to be sent to the local party officials later this week, signed by as many members of the PLP as can be persuaded. The letter will urge the general management committee not to act on demands for Mr. Prentice's removal, which would be a blow to the unity of the whole Labour movement — especially at "this difficult time."

The letter had been signed last night by more than 80 MPs, including, it was claimed, a few Left-wingers. The collection of signatures will continue for a day or so.

Tactical error

Had it not been for a tactical error in asking the Prime Minister to allow Ministers to sign the letter say its sponsors, several senior members of the Cabinet would have done so.

Now these and other Ministers are having to await Mr. Wilson's decision.

The letter, although careful to say that the local party is within its democratic rights to choose its own Parliamentary candidate, praises Mr. Prentice's 18 years' service as an MP and his work as a Minister, particularly at overseas development and, until recently, at education, where he had "pursued Socialist policies."

The latest issue of the Right-wing/moderate Socialist Commentary also comes to Mr. Prentice's aid.

An editorial says that the relationship between him and his constituency party raises grave issues.

"No one would argue that MPs should have a lifetime's freehold in their seats. But the party's procedure for unseating a member has long cried out for reform. . . .

"The present case certainly sharpens that need. Is it conceivable that a Cabinet Minister, carrying out Government policy and retaining the support of the Prime Minister, should be threatened with loss of his seat —not even for any personal inadequancies as a member, but because of his views on policy?" the journal asks.

No rooms at some Spanish inns

By Arthur Sandles

THE LONG grumbling row about the prospect of overbooking in Spanish holiday hotels this summer came to a head yesterday with the first reports of British tourists being switched from one hotel to another on arrival at their resort. Hoteliers, tour operators, travellers and the Spanish Government are now arguing over who is to blame—and worrying about how big the problem is going to be over the next few weeks.

At the root of the row is the fact that no one in the business in either Spain or Britain really believed that this would be a good season for the industry. The result is that bookings were taken in the belief that there would be mass cancellations later. Although the pound slipped and the economy rocked, the bookings remained.

Now the Spanish National Tourist Office says it has set up an emergency unit in the affected areas, mainly Majorca and the Costa Blanca, to find alternative hotels "of at least the same, but often of higher standard" for those people who find themselves overbooked.

It is very early in the season to start apportioning the blame objectively, but the problem at the moment seems particularly severe for those companies which were putting on extra capacity, supplementary to the originally announced programmes.

Tour operators are blaming hotels for being greedy: hotels are blaming tour operators for not honouring contracts themselves earlier in the season and not paying bills promptly; and the Spanish Government is still saying it will fine hotels up to £8,000—or even close them—if cases are proved (no such protection exists for foreign visitors to Britain).

At the moment the problem is minor—except for those involved—Majorca alone has 200,000 hotel rooms.

P.O. management protests by publishers and aged

BY HAROLD BOLTER AND ERIC SHORT

BOOK AND periodical publishers yesterday called for a public inquiry into the management of the Post Office and a freeze on postal charges.

And a similar protest against the P.O.'s plans for an autumn rise in postal and telephone charges came from the retirement organisation, Age Concern England.

The publishers' demands were made in London by representatives of the National Book Committee, which acts as a co-ordinating body for the Periodical Publishers' Association, the Association of Mail Order Publishers, the Publishers' Association and the Booksellers' Association.

According to the Committee the "savage" increases which have taken place or are planned are making the Post Office "commit an extremely messy public suicide."

Mr. Robin Fairlies, of the Association of Mail Order Publishers, warned that the increases planned for September posed a serious risk to the future of the printing industry.

If the 8½p first-class post is introduced on September 29, as planned, charges will have risen 400 per cent. since 1971, he said.

The National Book Committee claimed that much of the blame for the new increases could be placed on the current deficit in the Post Office's pension fund, which will cost the P.O £90m. this year. The Government should be made by Parliament to relieve the Post Office of the burden, Mr. Fairlies said.

Other ways

The Committee insisted that unless action was taken to curb the proposed increased postal charges, U.K. publishers would be forced to find other ways of distributing their publications.

This would create a fall in postal traffic leading to even greater unit costs, an increased deficit for the P.O. and yet further calls for price increases.

According to Age Concern England, the latest round of increases, coming within two months of the previous rises, will severely hit elderly people for whom the telephone is a lifeline not just a convenience.

Mr. David Hobman, the organisation's director, referred to the recently published memorandum by Age Concern on the effects of the previous increase in telephone charges on elderly people. Then it was estimated that nearly 2m. pensioner households with telephones may be forced to have them disconnected unless the Government took action to alleviate the effects of the increased charges.

Rental costs alone will amount to 68½p a week before one single call is made, Mr. Hobman said. Pensioners without telephones would be discouraged from having them installed unless help was forthcoming. He feared that cuts in social service spending would also decrease the number of telephones installed by local authorities in the homes of handicapped and isolated elderly people.

In 1973/74 some 22,000 telephones were provided by local authorities for pensioners under the provisions of the Chronically Sick and Disabled Persons Act 1970. Age Concern has already heard of two local authorities—Surrey and Hackney—which were no longer paying installation costs because of expenditure cuts, and was investigating the position within another local authority.

Unionist leader firmly opposes independence for Ulster

BY OUR OWN CORRESPONDENT

BELFAST, July 14.

FURTHER EVIDENCE that Ulster's independence is now the most divisive question in Unionist ranks was given to-day by Mr. James Molyneaux, leader of the Unionist MPs at Westminster, who chose it as the theme for his address at a demonstration by the Royal Black Institution, a kindred organisation of the Orange Order.

Independence was also the main theme of the speeches at Orange rallies over the weekend, and Loyalist leaders took noticeably different views.

Mr. Molyneaux came out firmly against independence, thereby putting himself in the same camp as Mr. Enoch Powell, with whom he is said to get on well. If Mr. Powell's purpose in raising the issue last week was to encourage debate he has certainly succeeded.

But the divisions it has exposed could damage the prospects of Mr. Powell's other objective—the creation of a single Unionist force from the present three parties which make up the Loyalist coalition.

Mr. Molyneaux attacked suggestions by some Unionists that a new identity could be found for Ulster's two communities if Loyalists gave up their links with Britain and Republicans their Irish aspirations.

This would not be a fair bargain because one link was substance and the other shadow.

Birmingham Post to cut publishing and staff

By Lorne Barling

THE BIRMINGHAM Post, which is losing more than £500,000 a year in direct outgoings, is to make widespread economies including staff reductions and reduced publishing, shareholders were told yesterday.

The newspaper is to cut publication days to five a week and raise its cover price and advertising rates from next month, subject to Price Commission approval.

Sir Michael Clapham, chairman of owners BPM Holdings, says in a letter to shareholders that the economies made possible by the changes and "by other policy decisions" would be implemented over the next two to three months." It was hoped that the impact of the redundancies could be mitigated.

Profits

Pre-tax profits for the second six months of the financial year just ended were likely to be no more than a third of the comparable figure for 1974, when £1.03m. was achieved.

The fall had occurred almost entirely in the principal newspaper company, The Birmingham Post and Mail.

Peter Cartwright adds: The Sunday Mercury, which because of previous industrial action over a pay claim by one of the print unions, has not been published for more than two months, is also understood to be at risk. Whether it publishes again soon depends, as management has already said, an agreement on a new-style contract being reached.

The Birmingham Post and Mail is in the advanced stages of a technological revolution which will bring computers much closer to production. Most of the installations and equipment are expected to be ready by the end of the year.

Exports 'our life blood' Wilson tells traders

BY LORNE BARLING

BRITAIN CANNOT afford to treat exporting as anything less than the lifeblood of the country, Mr. Wilson said yesterday. At a time of declining world trade, the U.K's export volume had held up better than its competitors.

More British involvement was needed in the Middle East. Conditions had never been better for greater economic interdependence between Britain and the Arab world.

Mr. Wilson told the Committee for Middle East Trade in London that many companies must realise that their future lay in exporting, particularly in markets with such growth potential as in the Arab world.

Britain had the technology and expertise needed for their ambitious development plans, and the Government was willing to play its role in promoting greater co-operation.

The interests of both Britain and the Middle East were closely affected by the Arab-Israeli dispute. New hostilities would be particularly damaging to Britain and Europe, and for that reason he wished all success to the U.S. attempts to negotiate a new peace agreement.

Mr. Wilson's audience included 150 chairmen and managing directors of U.K. exporting companies, the Kuwaiti Minister of Finance, the Egyptian Minister of Finance, the Ambassadors of nine Arab States and six British Ambassadors to Arab States.

Revival

In recent months there had been a revival of interest by British companies on an unprecedented scale, "but there are still many who have yet to wake up," he said.

"This is a time of great opportunity in the Arab world and we in Britain should be ready to play a bigger part in the future. If anyone wants proof of the strong links being forged already, they have only to seek it in the trade figures."

In the first five months of the year the non-oil trade deficit had been eliminated, while the monthly current account deficit had been reduced to a quarter of the amount one year ago.

The U.K.'s trade balance with Arab countries this year had changed dramaticaly. The value of Britain's exports there in the first five months had doubled compared to last year.

"These countries now take about 7 per cent. of our total exports—compared with just over 4 per cent. a year ago. Nearly a tenth of our imports now come from them.

"So far this year, the visible trade gap between what we have bought and what we have sold to the Arab world stands at less than £400m., compared with over £1bn. in the same yeriod last year."

Exports of manufactured goods were paying for three-fifths of imports compared with one-fifth last year.

Price rise applications refused

THE British Sugar Corporation, Norton Villiers Triumph and Reed Employment all had applications for price rises turned down by the Price Commission in June.

Figures released yesterday showed that in all 16 applications were rejected last month, while another 14 were withdrawn by the companies themselves after preliminary discussions with the commission.

No details are published of applications passed in full but the figures show that the Commission approved 55 applications after modification, with price rises of more than 50 per cent. being permitted on some industrial products.

At 85, the number of interventions in June is running at about the same level as seen in the previous two months and is thus significantly lower than that seen at the beginning of the year. This lower level of intervention suggests both that companies are now asking for price rises less frequently than at the turn of the year and that manufacturers now understand the basic rules of the Price Code.

Investment

A clearer picture as to the level of applications will come next week when the commission is expected to publish its latest quarterly report.

The British Sugar Corporation application was for a price increase of £7.55 per ton and was based on the investment provisions of the code. It was rejected on technical grounds and has since been re-submitted.

Despite its troubles, Norton Villiers Triumph had applications for price rises ranging from 20 per cent. to 30 per cent. rejected, while Reed Employment was prevented from raising its fees for temporary staff by 35.75 per cent.

Among the companies which withdrew their own applications in June were Ciba-Geigy (U.K.) and Rolls-Royce (1971), which wanted to raise the hourly rates it charges for service engineers' work on customers' engines by 37.09 per cent.

Included in the list of price rises modified in June were ones from ICI—0.01 per cent. off a 63.81 application for miscellaneous intermediates—Smedley-HP Foods and Typhoo Tea.

Ore carrier laid up

The 15,000-ton ore carrier, Longstone, managed by W. A. Souter and Co., Newcastle, was laid up in the Tyne yesterday. She arrived from Glasgow and was given a berth at Newcastle Quay.

The British Steel Corporation, which has the vessel on charter until next year, has no work for her at the moment. "We don't know how long she will be in the Tyne," said Mr. Christopher Souter, a director. "We are hoping that we can fix her with another voyage before she is needed again for ore."

The Longstone is the first Souter ship to be laid idle for 12 years.

Ministers' misgivings fail to check industry plans

BY RICHARD EVANS, LOBBY CORRESPONDENT

ALL THE controversial proposals in the Labour Party's draft statement on industrial policy remained intact after a two-hour meeting of the party's home policy committee last night in spite of the misgivings of moderate Ministers.

The document, which contains proposals for a new national plan and much greater intervention powers by the Government in industry, will now go before the party's full national executive committee to-morrow week for approval.

The intention is to publish the statement shortly before the party conference at the end of September after its length has been slashed by half to 10,000 words.

The cuts will come from the general comments on economic strategy and from the section on inflation, which will now be published as a separate statement to conference by the NEC.

The controversial proposal by Mr. Anthony Wedgwood Benn and Miss Frances Morrell, his political adviser, that private pension funds and insurance institutions should be required to invest funds in manufacturing industry will remain in the document, however.

Mr. Harold Wilson has already criticised this proposal and insisted that the Government had no intention of accepting it, but the idea looks increasingly likely to form part of the Labour Party's industrial policy.

Worried

Mrs. Barbara Castle said at the meeting, held under Mr. Wedgwood Benn's chairmanship, that she was extremely worried after consultations with trade unionists at the fears the proposal could raise about the future strength of pension funds.

In spite of protests from Mrs. Renee Short and others it was agreed that a paragraph should be inserted in the statement saying that the proposed policy would not reduce pension levels.

Advocacy of import controls and the criticism of any form of legal sanctions over wages also remain in the statement.

Communism 'root cause of Britain's problems'

BY OUR INDUSTRIAL STAFF

THE GOVERNMENT'S anti-inflation White Paper was "completely inadequate" in that it failed to tackle the threat of Communism, "the root cause of the country's problems," the Engineering Industries Association declared yesterday.

The association—which has 4,000 member companies—insisted that, while it would support any measures to curb inflation, it did not think the White Paper achieved this, because "it fails to tackle the root cause of the country's problem —both worker stoppages and excessive wage demands—namely Communism.

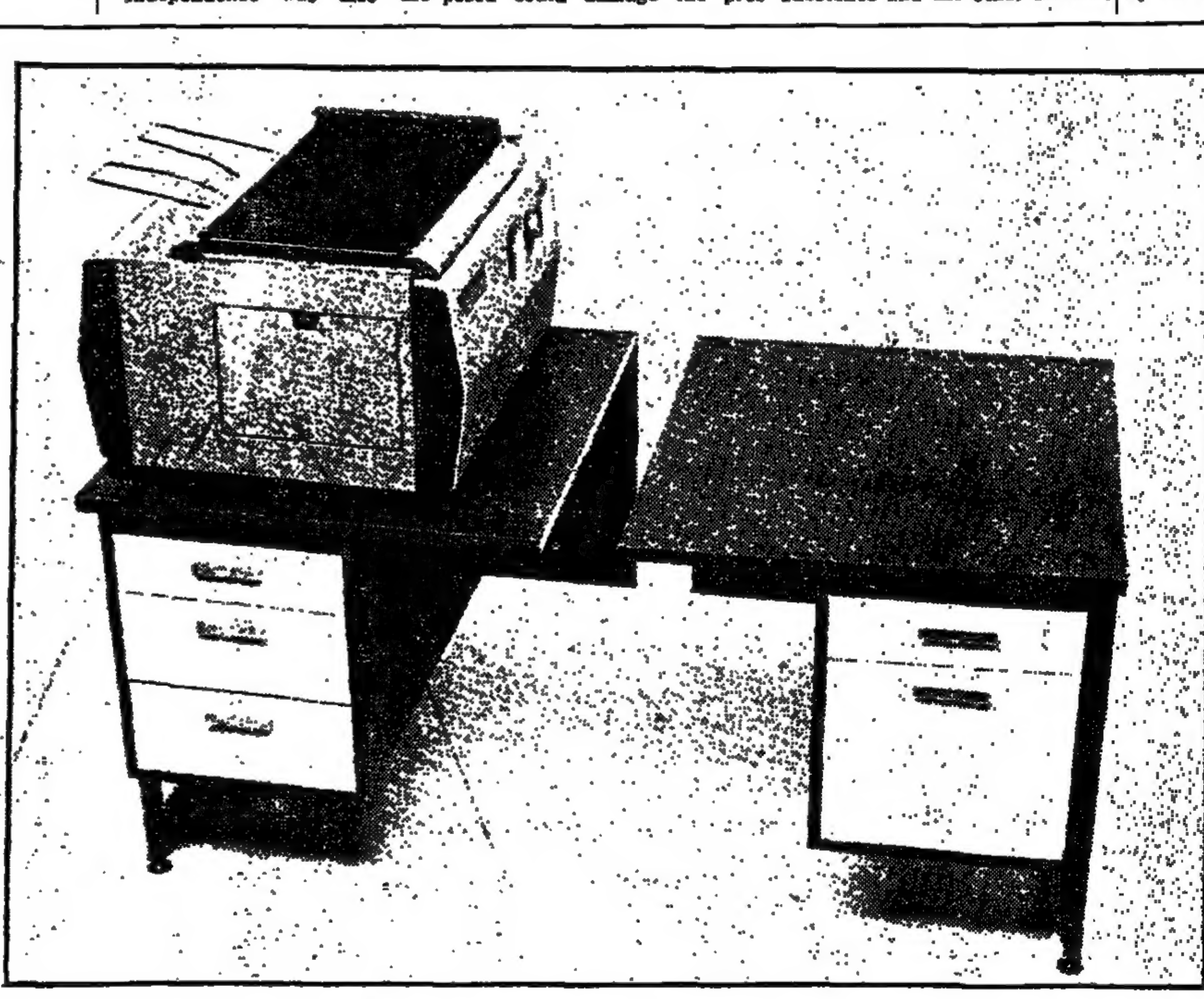
"Until this evil is dealt with no wage agreements will stick. Every effort must be made to alert the country to the dangers of Communism and the disruptive tactics adopted by its members and fellow-travellers, especially in some trade unions.

"To ensure fair and balanced trade union control, it should be made statutory that the election of office bearers is conducted by postal ballot. Until Communism is tackled, no other measures will succeed," the association added.

BALANCE OF PAYMENTS
CURRENT ACCOUNT FOR THE MONTH OF JUNE, 1975

£m. seasonally adjusted	Current Balance	Visible Balance: Trade in Goods: Petroleum petroleum products	Other goods	Total	Invisible Balance: Services and other current transactions
1974	−3,771	−3,446	−1,813	−5,259	+1,488
1974 1st	− 935	− 770	− 509	−1,279	+ 344
2nd	− 955	− 881	− 435	−1,316	+ 361
3rd	− 830	− 876	− 334	−1,210	+ 380
4th	−1,051	− 919	− 535	−1,454	+ 403
1975 1st‡	− 342	− 781	+ 65	− 716	+ 374
2nd‡	− 116	− 662	+ 186	− 476	+ 360
1975 Jan.	− 161	− 312	+ 27	− 285	+ 124†
Feb.	− 189	− 263	− 51	− 314	+ 125†
March‡	+ 8	− 206	+ 89	− 117	+ 125†
April‡	− 171	− 213	− 78	− 291	+ 120*
May‡	+ 104	− 226	+ 210	− 16	+ 120*
June	− 49	− 223	+ 54	− 169	+ 120*
Mnthly. Averages					
74 Dec.-Feb.75	− 191	− 287	− 32	− 319	+ 128†
75 Mar.-June	− 27	− 217	+ 69	− 148	+ 121*

* Projections. † One third of the appropriate calendar quarter's estimate. ‡ Figures for visible trade in March, April and May were distorted by the industrial dispute at the Port of London.



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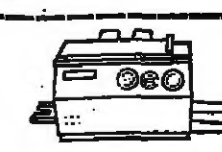

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HOME NEWS

North Sea work may bring 28,000 jobs to Cleveland

BY RAY DAFTER

THE DEVELOPMENT of North Sea oil, together with the related expansion of engineering and chemicals industries, could lead to almost 28,000 new jobs in the North-East county of Cleveland.

A survey of employment prospects indicates that by 1981 a potential of 27,770 new jobs might be created. Although the oil-related industries will make a contribution to this increase, their impact will not be all that great in view of the capital intensive nature of the businesses.

Most of the new jobs—possibly about 17,810—will come in "spin-off" activities, such as manufacturing and servicing.

The report, prepared by the county planning department, speculates that a fall-off in activity in heavy engineering, oil-related fabrication work, could lead to a decline in employment in the decade from 1981, however. As a result, the net increase in employment in Cleveland between 1973 and 1991 is likely to be nearer 19,000.

The value of oil related work completed or in hand by local companies at the moment is reckoned to be about £100m., predominantly in steel fabrication for North Sea oil production platforms.

A further £136m. is being spent in facilities for storing and processing the oil—mainly at Phillips's terminal for Ekofisk oil and Shell's Teesport refinery. In addition, ICI and BP Chemicals are spending £100m. on a new ethylene plant at Wilton.

It is estimated that employment in companies associated with North Sea oil activity last year was 10,500. A large proportion of the jobs were in the heavy engineering sector.

The report says that the potential growth of employment arising directly, or through spin-off activities, from the North Sea could produce an increase in personal incomes amounting to £52m. by 1981. This would be a rise of 12 per cent. over the total personal income of Cleveland in 1973.

Based on expected levels of new development in oil and petrochemicals, the rateable value in Cleveland could increase by £3m. in 1981 and £4m. in 1991, a 57 per cent. increase on the total rateable value of the oil and chemicals industry last year.

The Economic Impact of North Sea Oil in Cleveland; Cleveland County Planning Department.

PRODUCTION MOVE TO REDCAR

The electric motor division of Crompton Parkinson, a Hawker Siddeley company, has transferred part of its productive capacity to a new factory at Redcar, on Teesside. The new factory has a manufacturing area of 40,000 sq. ft. and employs about 50 people.

New scales could force life brokers out of business

BY ERIC SHORT

MANY MEDIUM and small-sized insurance brokers could be forced out of business if the proposed change in life policy commissions was implemented, Mr. J. Hazell, a leading life assurance broker, claimed in a circular issued yesterday (Monday). He estimated that a broker's life commission could fall by at least 30 per cent. under the new scales.

The life company organisations—the Life Offices' Association and the Associated Scottish Life Offices—last week said that after months of negotiation with the various insurance broking bodies, a new commission structure based on premiums had been agreed. The present system based commission on the sum assured, and this bad resulted in some cases on over-selling of long-term policies on young lives because the initial commission could far exceed the first year's premiums.

Mr. Hazell foresaw the break-up of the life assurance broking industry over the next 20 years once these changes were in force. He said that the new proposals would take away the ability of the insurance broker to sell life assurance protection, and the emphasis would now be on high premium, short-term endowment assurances.

The life companies should consider the means of registration of all life assurance salesmen, whether they were brokers, direct sales staff or the local accountant or solicitor. This, said Mr. Hazell, was the best way to eliminate disreputable parties selling life assurance rather than by changing the commission scales. These latter would simply change their selling methods, while the genuine broker would be forced out of business.

Manufacturers expect further drop in polystyrene sales

BY RAY DAFTER

MANUFACTURERS of expanded polystyrene — a plastic in which there is a £20m. annual turnover — expect a further substantial drop in sales this year.

According to the Expanded Polystyrene Product Manufacturers Association, whose annual report was published yesterday, U.K. consumption of polystyrene bead last year was 18,466 tonnes as against 22,000 tonnes in 1973.

The economic recession and the fall in building activity could force this year's consumption down to about 15,000 tonnes.

Nevertheless, the Association says that long-term prospects for the sector's products are bright. The Government's improved standards of thermal insulation would help the industry, for example.

"The doubling of standards might logically mean a doubling in consumption of expanded polystyrene, provided the industry accepts the challenge to invest further resources in the market."

Sales of construction and insulation materials account for about half the industry's output and companies are making a two-pronged attack on the building industry substantially to increase this business.

Cavity walls

The Association and its members are promoting the greater use of polystyrene bead insulation in lofts, for example. They are also canvassing the use of polystyrene in cavity wall insulation.

They recommend that a layer of expanded polystyrene should be fitted to the outside face of the inner wall lining. This method does away with the need to fill the entire gap in cavity walls, thus avoiding the "moisture transmission" controversy surrounding the use of some other insulation materials.

The Association also sees strong growth in expanded polystyrene packaging, pointing out that its use in the U.K. is "almost infinitesimal" compared with most other European countries. It is reckoned, for instance, that Germany uses five or six times as much expanded polystyrene per head as the U.K.

CONSUMPTION OF U.K. POLYSTYRENE BEAD

	Tonnes 1974	1973
Construction, coving, tiles and veneers	9,866	12,0[illegible]
Packaging	6,800	8,0[illegible]
Other applications	1,800	2,0[illegible]
TOTAL	18,466	22,0[illegible]

New Issue
July 15, 1975

This advertisement appears as a matter of record only.

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Public houses do best in catering trade

Financial Times Reporter

A FURTHER indication of the sluggish state of the catering business has come in the latest figures from the Department of Industry on catering trade turnover.

They show that it rose by only 2 per cent. in the second quarter of this year, compared with the first quarter.

The only area of catering activity to hold its own with inflation over the last year—comparing the second quarter of this year with that of last year—seems to be the public houses, where business was up by 20 per cent.

Restaurants, cafés and fish-and-chip shops reported an increase of 13 per cent.

Licensed hotels and holiday camps increased their turnover by 17 per cent.

Mental hospitals 'should be sold to aid patients'

FINANCIAL TIMES REPORTER

THOUSANDS of patients could be released from mental hospitals—and the hospitals themselves could be sold for re-development, suggests a report published yesterday.

With the money raised, patients' hostels could be set up as part of the general community.

The report — by Mind, Campaign for the Mentally Handicapped and the Spastics Society — said that many existing institutions were totally unsuitable.

Too often they were large, isolated and old, built as self-contained "colonies for mental defectives" outside the main centres of population.

In many cases to-day hospital care was unnecessary and inappropriate.

The most plentiful and worst used resource was land. Mental hospitals had more than 25,000 acres in England — one acre for every six patients. But as many as 13 patients, an acre could be housed in community based units.

Health authorities should be encouraged to sell surplus land. And urgent consideration should be given to redeveloping whole hospital sites to allow for the setting up of alternative facilities.

"Horrifying" statistics had been published on the number of people living out their lives in psychiatric hospitals. They showed that 65 per cent. of all patients in mental illness hospitals had been there for more than two years — and 29 per cent. had been there more than 20 years.

Minister for leisure advocated

A MINISTER for Leisure is called for to-day in a booklet by Mr. Kenneth Solly, chairman of the National Federation of Gateway Clubs, who says that leisure should be given "a new status and a new dignity."

Mr. Solly says: "He would need enough power to deal with the planners for land and buildings, and to move in early enough to ensure that new communities start with a healthy balance of opportunities for varied living.

"Above all, he must have authority to argue with the Treasury because a lot of money will be needed."

The Gateway Clubs' federation organises leisure activities for the mentally handicapped. The booklet is published by the National Society for Mentally Handicapped Children.

Fabian Society seeks more aid for elderly

BY PETER FOSTER

MAJOR CHANGES in housing social service and health provisions for the elderly are called for in a Fabian Society pamphlet published to-day.

It says that actual social service expenditure differs considerably from "popular rhetoric."

Government guidance still led to emphasis on the construction of old people's homes at the expense of "community care," which would enable old people to remain in the community, says the author, Mr. Nicholas Bosanquet, who calls for an end to all new building of homes other than as replacements for former workhouses.

Minimum standards for services such as home-helps could be a step towards reducing inequalities. The extension of day care based on small neighbourhood centres, luncheon schemes and "neighbour schemes" were similarly recommended.

The housing conditions of the elderly had been particularly neglected by Government, with people least able to cope living in conditions that would "tax the fittest."

For example, in 1971 20 per cent. of people over 85 lived in houses without inside lavatories compared with 9 per cent. of younger households.

The pamphlet says of Government attempts to help the elderly through the National Health Service that a measure of success had been mixed with too much concern about the number of beds and too little emphasis on medical education and research.

More money should be allocated to geriatric departments in medical schools as the long-term answer to recruitment, although a short-term emergency programme of retraining was needed to meet immediate problems.

"New Deal for the Elderly," by Nicholas Bosanquet, 40p from the Fabian Society, 11, Dartmouth Street, London SW1H 9BN.

Danish factory for Blyth

The Danish company Vald Birn of Holstebro has applied for planning permission to build a castings factory on a disused colliery site near Blyth in Northumberland.

The factory would employ 100 men at first and eventually between 400 and 500.

The company would build a 100,000 sq. ft. factory on a 30-acre site. It would use modern electric coil induction furnaces and press moulding machinery to eliminate the dust and fumes of traditional foundries.

Blyth has an 11 per cent. male unemployment rate—one of the highest in the country.

TWO CONTRACTS FOR BIN LINERS

Thomas Boag, of Greenock, has has been awarded a £43,400 contract and Bakelite Xyonette, of Barnsley, a £20,670 contract to supply 3.8m. plastic bin liners for Glasgow Cleansing Department.

Closer links forecast in steelmaking

CLOSER LINKS between Britain's public and private sector steel industries were forecast yesterday by Mr. Alec Mortimer, director-general of the British Independent Steel Producers' Association.

The way in which private producers and the BSC worked together on the implications of British membership of the EEC, which allowed the views of the whole industry to be expressed, suggested co-operation in the future on still wider aspects of industrial policy, he said.

Mr. Mortimer was opening a four-day conference in Sheffield, which was examining a decade of progress in the city's intensive steel industry, now devoted to electric arc melting.

Mr. John Flux, environmental pollution control manager for the British Steel Corporation's special steels division, told the conference that ensuring clean air in South Yorkshire had added £1.50 to the cost of producing a tonne of steel.

An "immense" amount of money and manpower had been invested by steelmakers, largely in the Sheffield area, to ensure that the "red menace" of dust from steelmaking was completely eliminated.

"Its implementation increases the conversion cost of steel by at least £1 to £1.50 a tonne, a fact which is not appreciated by the general public."

APPOINTMENTS

Lord Balniel joins Board of National Westminster

Lord Balniel, Minister of State for Defence (1970-72) and Minister of State for Foreign and Commonwealth Affairs from 1972 until the general election in February last year, has been appointed a director of the NATIONAL WESTMINSTER BANK.

★

Mr. T. Berry has been appointed chairman of WEIR-PACIFIC VALVES, in succession to Mr. K. W. Atchley, who has retired. The company is jointly owned by the Weir Group of Glasgow and Mark Controls Corporation of Evanston, Illinois, U.S.

★

Mr. J. A. E. Barnes has been appointed managing director of BRADLEY AND CO., and not the parent company, Butterfield-Harvey, as stated yesterday. He succeeds Mr. K. N. Oakley who has resigned. Mr. F. R. Bowcott, who has been acting as managing director, remains with the company as deputy managing director. Mr. L. Worthington has become production director in succession to Mr. S. Mills who has retired after 30 years' service. Mr. D. A. Lawrence has joined the Board as financial director and continues as secretary.

★

Mr. V. J. Roberts has been appointed deputy chairman of BARTOL PLASTICS and Mr. G. M. Marsden has become managing director. The company is a subsidiary of Hepworth Ceramic Holdings.

★

Mr. J. Patrick, currently director of U.K. manufacturing, CUMMINS ENGINE COMPANY, has been appointed vice-president —Europe. Mr. Patrick has also been appointed an officer of the parent company, Cummins Engine Company Inc. (U.S.).

★

Mr. Murray S. Simpson has been appointed a director of ANDORSEN BECKER AND CO., the shipbroking subsidiary of Christian Salvesen (Marine), following the retirement of Mr. George Grose after 25 years as managing director of the company.

★

Mr. John Myers has been appointed sales director and Mr. John Donnachie works director of HAROLD WESLEY, part of the British Printing Corporation. Mr. Myers was previously general sales manager and Mr. Donnachie works manager of the company.

★

Mr. D. A. Searle has been appointed deputy chairman of MFI WAREHOUSES and Mr. J. W. Seabright joint managing director with Mr. N. A. V. Lister. Mr. D. S. Hunt and Mr. J. A. P. Lee have been appointed additional members of the Board.

★

BICC CABLES has announced the following appointments to the Board of BICC Telecommunication Cables: Mr. E. P. G. Thornton (chairman), Mr. G. A. Dodd (executive director), Mr. J. [illegible], Mr. A. M. W. Davis, Mr. D. R. Dean, Mr. N. S. Dean, Mr. C. Hodge, Mr. C. O. O'Shaughnessy (secretary/accountant), Mr. R. B. Sumner and Mr. A. R. Wersly.

The following have joined the Board of BICC CONNOLLYS: Mr. W. L. B. Shankland (chairman), Mr. G. F. Travis (executive director), Mr. G. Bottomley, Mr. W. L. Johnson (secretary/accountant), Mr. J. Moss, Mr. F. E. R. Pickles and Mr. D. K. Roberts.

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Autocar.

"Engine noise is much reduced compared with the old car—a welcome and long overdue change. The car is quite restful at 70 mph and well beyond at 85 or so."

Finally, just to show that the good reports haven't been confined to these three journals this is what two more newspapers had to say:

Glasgow Herald.

"Volvo have produced a smooth, high performance, comfortable car, and considering its many qualities its price is not expensive."

The Times.

"The second big change concerns the suspension and the result is a marked improvement in handling with less roll on corners and a generally tighter feel. The steering, too, benefits from the change to rack-and-pinion, being more precise and responsive."

The new 240 and 260 Volvos are in the showrooms now together with copies of the complete road tests mentioned above.

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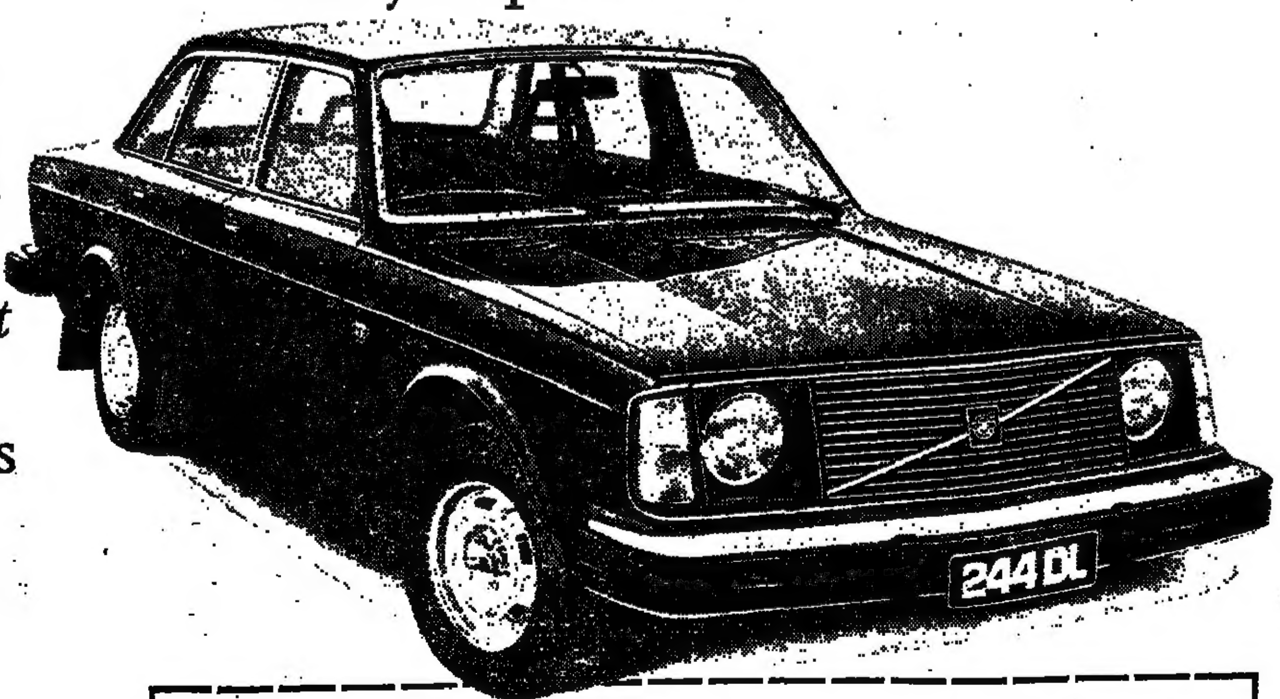

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FINANCIAL TIMES REPORT

Tuesday July 15 1975

Accountancy

Good progress is being made in this country in the programme for improving accounting standards and company reports. The concept is also finding increased acceptance abroad. These developments can only serve to enhance the standing of the profession worldwide.

Debate and agreement

By Michael Blanden

MARKED CHANGES and improvement have been seen in the standards of accountancy and reporting in U.K. company accounts over the past few years. The programme of new accounting standards being introduced with the backing of the major accounting bodies has now begun to make a substantial impact on the appearance of company statements.

Perhaps even more important, an exercise which got off the ground originally as a way of answering strong criticisms of the profession has now gained a life of its own and is leading to other important developments. The concept of accounting standards is being extended into the international sphere, through the active work of the recently established International Accounting Standards Committee. And the co-operation over standards between different groups of accountants in the U.K. and outside is leading to a greater degree of joint operation in other important areas of influence.

The latest of the regular surveys of published company accounts produced by the Institute of Chartered Accountants in England and Wales underlined the improvements which are being seen in company reporting. There has been time now for a number of the standards agreed by the accounting bodies to be enforced. This process has not always been without some problems, it is true, with some of the new requirements arousing opposition among companies and in particular the provisional standard on inflation accounting providing a subject of extensive debate against the background of the Sandilands Committee's investigations into the subject.

The survey, covering over 300 leading companies publishing accounts during the year 1973-1974, draws attention to changes in accounting practice over a period of years which have reflected both the impact of new standards and the adoption by companies of new proposals even while they are still in draft form, as well as the effects of the 1967 Companies Act. Among the standards now in force, several have been effective for long enough to be adopted in the great majority of company accounts.

The first standard (SSAP1 on the accounting treatment of associated companies) had been in full effect for over two years when the Survey was published early this year. In the accounts covered, about 80 per cent. of the companies reported investment holdings of between 20 and 50 per cent. in the equity of other companies, one of the criteria for qualification as an associate interest. Only three auditors' reports referred to any lack of compliance with the standard, and two of them agreed with the departure from standard as being necessary in the particular circumstances involved. It was therefore argued that "there was a very high degree of compliance with the most important aspects of SSAP1."

The second standard, on disclosure of accounting policies, had been fully effective for over a year. There are some difficulties in determining whether companies can be said to have complied with the rules. But it was felt that perhaps the most helpful result had been the general adoption of the practice of presenting summarised statements of their main accounting policies (not specifically required by the standard) which were given by 87 per cent. of the companies covered.

Effective

The third standard, requiring companies to show figures of earnings per share was also fully effective—it was revised last year to take account of the new imputation system of corporation tax—and as a non-controversial standard has made a general impact. The proportion of companies providing figures of earnings per share had risen from about 92 per cent. in 1972-73 to 100 per cent., although it was also pointed out that the quality of the disclosure of information was not so uniformly good.

Other points to emerge included the impact of the sixth and somewhat controversial standard on extraordinary items and prior year adjustments — aimed above all to eliminate the use of "reserve accounting" methods—where there was an overall continuing trend towards less use of these techniques of accounting.

The progress already made has been significant, therefore, and during the course of the past year further steps have been taken towards extending the coverage of accounting standards. Two new standards have appeared. One, published last August, was of a largely technical nature, arising out of recent tax changes, and dealt with the treatment of taxation under the imputation system of corporation tax. The other, which appeared recently as SSAP9 in May, has been awaited for some time and deals with the important subject of stocks and work in progress.

This follows the publication in 1972 of the draft which aroused a good deal of argument. In spite of this, much of the material in that paper remains substantially unaltered in the standard. Under the new rules, stocks are to be valued at the lower of cost and net realisable value with cost defined as including full overheads. A requirement has been brought in that stocks should be classified into separate categories. For long-term contracts, the standard requires that attributable profit should be treated on an accruing basis, but states that there can be no attributable profit until the outcome of the contract can be assessed with reasonable accuracy. The important point about this standard, and the area which had been holding it up, is that it was accompanied by a statement by the Inland Revenue setting out its attitude on the introduction of the new rules.

Two important new exposure drafts have also been produced by the Accounting Standards Steering Committee, covering the problems of accounting for research and development (ED14) and depreciation (ED15). The first of these takes a strong line by reaching the conclusion that expenditure on research and development should be written off in the year in which it is incurred. It is recognised that there are different categories of expenditure, including particularly pure research, applied research and development. It argues, however, that the first two are not expected to benefit one accounting period rather than another and should therefore be written off as incurred. And on development expenditure it is argued that since the elements of the uncertainty of outcome are generally so great it should be standard practice to write off expenditure as it is incurred.

The depreciation proposals also contain some controversial aspects. The draft requires that all fixed assets having a finite useful life should be written off over the period which will benefit from their use. An important feature is that this proposal is also to be applied to buildings which should be separated from the land on which they stand and depreciated—even in a situation where their market value is greater than book value, when the asset should be written up to the higher figure and depreciation should be charged on that basis.

Further developments in the ASSC's programme are expected shortly. During this month it is likely that SSAP10 will appear, covering the publication of statements of sources and application of funds as previously set out in ED13. And it is understood that the Councils of the accountancy bodies are currently considering SSAP11, another issue which has aroused some argument since the proposals for accounting for deferred taxation were produced as ED11 over two years ago.

Perhaps the most dramatic developments, however, have taken place at the international level. The International Accounting Standards Committee was a long time in gestation before it finally came into being two years ago, with nine leading countries as founder members (Australia, Canada, France, Germany, Japan, Mexico, the Netherlands, the U.K. and Ireland and the U.S.). At its inception, there were some doubts expressed about the prospects of gaining general acceptance for new accounting rules in the context of widely differing national practice and laws.

Ambitious

Yet progress has been rapid and substantial. Early this year Sir Henry Benson, the Committee's chairman, was able to introduce the first internationally-agreed standard, dealing with the disclosure of accounting policies. At the same time, he was able to indicate that it was hoped to lay down international standards at an ambitious rate of three or four a year. Since then two more exposure drafts have been produced by the international committee, numbers four and five, covering depreciation accounting and the information to be disclosed in financial statements. The Committee, it is true, has the advantage of being able to concentrate in these relatively early stages on essential issues which have generally been well covered by experience in individual member countries—the U.K. provided the basis for both the latest drafts in the ASSC's own depreciation accounting draft and in the 1967 Companies Act.

Nevertheless, it is an important achievement to have gained international recognition for the new effort to standardise accounting procedures. It is particularly important that besides the original nine countries, a large number of others have associated themselves with the work of the IASC, and that the committee has gained the support of the International Federation of Stock Exchanges for the standards it produces.

Spin-off

The development of the accounting standards programme in the U.K. and internationally, therefore, is providing an important basis for a growing range of co-operative activities among accounting bodies. In the U.K., the programme has already had a considerable spin-off in the form of various associated documents and activities in which the ASSC has been involved. They have included, for example, the issuing of guidance on how auditors should deal with current purchasing power statements as a back-up to the provisional inflation accounting standard, and more generally the guidance issued by the accounting bodies on the treatment of the tax relief now being given on increases in stock values.

Moreover, there is no doubt that the joint activities of the accounting bodies through the ASSC are contributing to greater co-operation in other fields. It appears unlikely at present that the old idea of merging the six major bodies in the U.K. and Ireland can be successfully revived; but much the same purpose is being achieved through their increasingly close relationships on specific issues.

One of the most important developments has been the setting up of the Consultative Committee of Accountancy Bodies which is providing a channel for technical co-operation and for the profession's views to be expressed on a growing variety of issues—such, for example, as the chairman's letter last October drawing the Government's attention to the heavy pressures on cash flow and liquidity in the company sector. Activities of this kind, as well as the standards programme itself, seem likely to contribute to the increased status of the profession domestically and internationally.

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All waiting for Sandilands

AT THE BEGINNING of this month the Sandilands Committee on inflation accounting finally submitted its report to the Government. Drafting problems have apparently delayed the report several months beyond the date hoped for at one stage, and full publication is still not likely to come for some weeks yet. But the enquiry has probably not fallen very far behind its original targets.

The original Government intention to set up an enquiry into inflation accounting was announced by Mr. Peter Walker, then Industry Secretary in the Conservative Cabinet, back in July, 1973. The first meeting of the Committee took place on January 21, 1974, so the report has taken in all just over 17 months to compile.

In the past few months the public debate on inflation accounting has tended to die down—despite the acceleration of the inflation rate—because everybody is waiting for Sandilands. But as the date of publication approaches a disquieting feeling is growing that the report will by no means mark the end of the argument.

On the one side are ranged the professional accounting bodies, which have developed a coherent system of current purchasing power (CPP) accounting formally laid down in the provisional statement of standard accounting practice No. 7 (SSAP7) in May, 1974. For the time being this standard has been optional, largely in deference to the Sandilands investigation, and has been implemented by less than a quarter of large public companies and only a tiny proportion of smaller ones.

Heavier

But as things stand, there will be greater pressure on professional accountants to adopt SSAP7 when working on listed company accounts for financial years commencing after mid-1974. This should mean in practice a much heavier flow of CPP supplementary statements in published accounts from this autumn onwards—though the great majority of quoted firms have December or March year-ends, so the full impact will be delayed until next spring.

On the other side are to be found a variety of critics of the accounting standard. Many in industry believe the approach of SSAP7 is excessively academic and prefer the more practical (though perhaps less rigorous) techniques of replacement cost accounting. Because of its origins in different companies, like Philips on the Continent and Pilkington Brothers in this country, RC accounting tends to be a rather variable method but attempts are being made to develop it into a more consistent technique.

Other critics are more concerned with some of the details of CPP accounting. For instance, the gain on net monetary liabilities is a controversial item, partly because it is not a profit which appears in cash. Another area widely regarded as unsatisfactory is the treatment in SSAP7 of overseas earnings—groups like British-American Tobacco have rejected the method. Problems may also arise when companies hold assets—such as commodities—which do not move at all closely in line with the retail prices index.

The Sandilands Committee has stood somewhat uneasily in the middle of an often fierce debate. Its terms of reference cover not only the purposes for which company accounts are used and the extent to which they are distorted by inflation, but also wider issues like the effects on company managements, on the capital market, and on the need to restrain inflation itself.

What the Committee will say is to a large extent speculation at this stage, but some general lines of approach have been leaking out. The obvious temptation will have been to opt for some kind of combination of CPP and RC accounting, and in fact its report is likely to lean more heavily towards the RC approach. The general principle may well be that a company's taxable profit is that which is left over after it has paid all the expenses needed to continue its business on the existing scale.

This poses the problem of how replacement costs are to be calculated, and a series of specific indices relating to industrial sectors and commodities could be the proposal here. This would be a compromise between the individual subjec-

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ACCOUNTANCY II

Increasing weight of the auditors' role

IT IS NO SECRET that one of the first lessons for any new financial journalist is to scan the auditors' report included with all company accounts to check whether it is in any way qualified. In other words, the commentator, or analyst, has to verify whether the auditor, as an independent authority, has given a certificate that the accounts correctly portray the company's affairs—or whether he has done this subject to any provisos.

Although rather less uncommon than at one time because of recent business and accounting standards developments, a qualification is still relatively unusual and always the subject of some public notice. As an outside watchdog scrutinising the accounts of companies, the auditors—firms of accountants—inevitably carry a large responsibility, and it is one which has represented a weightier burden as accounting practices have grown more complex.

Entrenched

The independence of auditors, whose role is not as creatures of the Board, but as servants of the shareholders generally, is well entrenched in law and practice. Their certificates are labelled as being "to the members of XYZ Ltd." to distinguish them from material supplied by the directors, by whom the accounts are presented.

It is in these certificates, normally stating that the accounts—with which they are circulated—give the required "true and fair" picture of the company's position, that shareholders' attention is sometimes drawn to particular matters considered to call for comment.

Moreover, under company law an elaborate process is laid down for circumstances where it is proposed to change or remove the auditors. Special notice of the proposed change has to be given to shareholders and the retiring auditors can require their comments on such an unusual situation to be circulated.

This procedure underlines the fact that the auditors may require special protection because they can on occasion, by reason of their monitoring role, come into conflict with a Board, which may in the last resort desire to replace them with more compliant auditors. Although the Board and the auditors have separate viewpoints and may be potentially at loggerheads, the reality is that they normally make great mutual efforts to understand and reconcile any differences.

Many a tussle, of greater or less intensity, has certainly been fought behind the scenes to get a situation sorted out more fully before an auditors' certificate is given. On some rare occasions, it may be that certificates have been signed where some experts might have held that more clarification ought to have been sought, or qualification recorded.

The task of auditors, as of company treasurers and accountants, has become more complex in recent years, with the successive adoption by the Institute of Chartered Accountants in England and Wales and other accountancy bodies, of additional, more detailed standards of practice. These, which now command wide acceptance, partly under the additional backing of the Stock Exchange, a body that makes their observance a condition of official listing, have two aims. The first is greater disclosure of information in companies' accounts; the second is the encouragement of presentation of accounts on a more uniform basis.

Categories

Where qualifications are made, they fall essentially into one of two quite distinct categories. In the rarer type of case they direct notice to some aspect where it appears, or may be the case, that something is not as it should be, or that some matter is under investigation.

In the now more familiar, and quite different, class of instance—which has become more common, particularly with certain companies receiving forms of support or backing from the Government or other parties — the auditors' report will note special aspects of the company's situation, not, however, implying any criticism of management.

Detailed accounting standards promulgated since the early 1970s have spanned a range of topics, including depreciation and treatment of associates' results. But perhaps one of the most significant for auditors has been that issued in November, 1971, on "Disclosure of accounting policies."

Of assumptions which this document stipulated should underlie the preparation of accounts, the first, and one destined to be increasingly important in the years ahead, was the "going concern" concept. This was defined as being the assumption that "the enterprise will continue in operational existence for the foreseeable future. This means, in particular, that the profit and loss accounts and balance sheet assume no intention or necessity to liquidate, or curtail significantly, the scale of operation."

The development of a more troubled financial and industrial climate in the past year or two has highlighted this concept as of great significance for the compilation of accounts in cases where a business is, for the time being, substantially dependent on help from another source.

An outstanding illustration is to be found arising from the secondary banking crisis which blew up in late 1973, which led the big banks to put up some £1.2bn. of support loans to replace deposits withdrawn from smaller concerns. It has been of the essence of the situation that the assisted companies are, while the circumstances last, reliant for their operation as going concerns on continuance of these loans.

Auditors quickly realised that in the cases in question the loans constituted a particular aspect of the situation of the company requiring mention. Triumph Investment Trust — one of the minority of assisted concerns which has not survived — provided the occasion for a detailed auditor's report on the position.

The report, by Coopers and Lybrand, said in part: "These accounts have been prepared on the basis of the group being a going concern, which assumes the continued support of the clearing banks until . . . reorganisation has been completed in a satisfactory manner."

The formula used in different cases of companies in receipt of loans from the major banks' "lifeboat" has varied a good deal with the facts of individual cases.

Another aspect of companies' affairs to which auditors have sometimes judged it right to direct attention has been where assets are difficult to value because of the depressed property market. This may be relevant both for property companies themselves, particularly those with developments still to be completed, paid for, financed and let, and for financial concerns with loans advanced against property.

Accuracy

One example of the latter is in the auditors' report by Price Waterhouse in May, 1974, on the 1973 accounts of J. H. Vavasseur, which had been hit in the secondary banking crisis and was later twice substantially restructured. This included the passage: "Although we believe that the directors have made the best estimates which they can, nevertheless in the present uncertain circumstances there is difficulty in determining the accuracy of provisions totalling £5.7m. in respect of unrealised losses, in particular provisions for advances by the banking subsidiary and warranties given by the company, which in both cases are primarily dependent on the ultimate realisation of the properties not owned by the group."

In different circumstances, the auditors may also wish to alert shareholders to the fact that one company is enjoying from an associate support without which its continued existence as a going concern could not be assured.

Another growingly important category of cases is where a company with financial problems has been assisted by Government backing. A notable instance of this is British Leyland Motor Corporation, whose latest accounts contain an auditors' report by Coopers and Lybrand containing this passage: "These accounts have been prepared on the normal going concern basis which assumes that the Corporation will obtain further finance as referred to in the paragraph headed "Finance" set out in the directors' report."

The auditors' report by Peat Marwick Mitchell with the 1974 accounts of Alfred Herbert, the machine tool group which is receiving £25m. of Government aid, included a somewhat similar sentence, as follows: "The accounts have been prepared on the normal going concern basis relying on the Government's assurance as to the provision of assistance. . . ."

An interest in the viability, prosperity and outlook of companies as employers is likely to be increasingly felt by workers, whose entitlement to know more about the concerns which give them jobs is being given greater recognition. This should increasingly give them, as well as shareholders, a concern with examining company accounts and auditors' comments on them. One likely future development of great interest both to investors and workers will be any changes in arrangements for inflation accounting, as tending more plainly to bring out the underlying reality of companies' trading positions.

Meanwhile, employees' attention is bound to be focused on the adequacy of pension funds, many of which have been replenished with special cash injections, after last year's share price setbacks. A watch for any reference by auditors to treatment of this matter is desirable.

One thing which seems certain is that, with the attention the accountancy profession and the City still focused on the continued need for refining and defining bases for compilation of accounts, the role of the auditor is unlikely to become less onerous in future.

Margaret Reid

CURRENT POSITION OF IASC SUBJECTS

	Issued
Preface to Statements of International Accounting Standards	Jan. 1975
International Accounting Standards issued	
IAS 1 Disclosure of Accounting Policies	Jan. 1975
Exposure Drafts issued	
E2 Valuation and Presentation of Inventories in the Context of the Historical Cost System	Sept. 1974
E3 Consolidated Financial Statements and the Equity Method of Accounting	Dec. 1974
E4 Depreciation Accounting	June 1975
E5 Information to be Disclosed in Financial Statements	June 1975

CURRENT POSITION OF ASSC SUBJECTS

STATEMENTS OF STANDARD ACCOUNTING PRACTICE ISSUED	
SSAP Explanatory foreword (Revised May 1973)	Jan. 71
SSAP 1 Accounting for the results of associated companies (Amended Aug. 1974)	Jan. 71
SSAP 2 Disclosure of accounting policies	Nov. 71
SSAP 3 Earnings per share (Revised Aug. 1974)	Feb. 73
SSAP 4 The accounting treatment of government grants	Apr. 74
SSAP 5 Accounting for value added tax	Apr. 74
SSAP 6 Extraordinary items and prior year adjustments	Apr. 74
SSAP 7 (Provisional) Accounting for changes in the purchasing power of money	May 74
SSAP 8 The treatment of taxation under the imputation system in the accounts of companies	Aug. 74
SSAP 9 Stock and work in progress	May 75
EXPOSURE DRAFTS ISSUED	
ED3 Accounting for acquisitions and mergers	Jan. 71
ED11 Accounting for deferred taxation	May 73
ED13 Statements of source and application of funds	Apr. 74
ED14 Accounting for research and development	Jan. 75
ED15 Accounting for depreciation	Jan. 75
FUTURE PROGRAMME	
Accounting for goodwill	
Accounting for diversified operations	
Accounting for leases	
Fundamental objects and principles of periodic financial statements	
Fundamental principles form and content of group accounts	
Events occurring after the balance sheet date	
Accounting treatment of major changes in the sterling parity of overseas currencies	
Accounting for pension funds in company accounts	

The tables above document the progress so far in the standards published in the U.K. by the Accounting Standards Steering Committee (ASSC), as well as their future programme, and those produced by the International Accountants Standards Committee (IASC).

Waiting

CONTINUED FROM PREVIOUS PAGE

tive valuation approach of "pure" RC accounting and the single price index (the RPI) employed in SSAP7.

Another compromise may be proposed on the question of monetary gains. This would have to be the source of extra tax revenue if it were needed to compensate for tax no longer payable on stock appreciation or after allowance for the replacement cost of fixed assets, but the taxation of gains on long-term liabilities might involve liquidity problems. Accordingly the report may suggest a differentiation between taxable gains—arising from liabilities which are such as to generate cash from trading—and non-taxable gains associated with long-term borrowings. Such a split would, however, generate a great many complications.

Crucial

Whatever the report actually says, the treatment of gains on net monetary liabilities is a crucial one in inflation accounting. This emerges clearly from the latest CPP estimates of company profits made by stockbrokers Phillips and Drew. Although in 1974—when the rate of inflation was close to 20 per cent.—median CPP earnings for the firms analysed were virtually the same as conventional historic cost earnings after tax, CPP earnings would have been nil but for the clawback from monetary gains.

Meanwhile, the background pressures have shifted somewhat since the Sandilands Committee was set up. To begin with the question of taxation—that companies were being taxed on often illusory profits—loomed rather large but the general reduction in corporate taxation in the past couple of years has changed the emphasis slightly. Large allowances on capital investment and the stock appreciation relief now given for two years mean that the basic concessions have already been made, though some sectors—notably financial companies—still suffer badly.

The chief anomaly to-day is that price controls are still applied on an historic cost basis. Moreover, the rise in the rate of inflation—now threatening to reach 30 per cent. on a year-on-year basis by September—is increasing the scope for managers and investors to be misled by historic cost accounts.

Diverge

For many companies CPP earnings now diverge very sharply from the conventional figures. First quarter pre-tax profits for ICI were cut by more than 60 per cent., compared with the conventional figure, and the Bank of Ireland reported that its after-tax earnings for 1974-75 were 98 per cent. eliminated by the CPP treatment.

On the other hand, highly geared companies—especially in the property sector—tend to show huge ea nings gains thanks to the large net monetary liabilities. This does, however, raise two problems. First, it may be unsound for companies to claim a large "profit" when their property assets have not been rising in value in line with inflation. Secondly, that large monetary gains may well be associated with overgearing—it is even more essential under the CPP system to look at liquidity as well as profitability.

There may be many more months of debate after the Sandilands Report is published. The accounting bodies will not easily abandon SSAP7, particularly as a very similar standard is likely to be adopted in the U.S. The basic attraction of finding a satisfactory combination of CPP and RC accounting is probably not in dispute, though finding such an ideal system may take a long time.

At this stage the accountants argue that CPP and RC are not alternatives, but should be complementary. Indeed, the U.K. and Dutch Institutes are collaborating to bring out a practical guide to RC accounting, probably this autumn. But this is being put forward as a management tool rather than as a method suitable for universal use in shareholders' accounts.

Barry Riley

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Divided views on recruitment

OVER RECENT years the accountancy profession in this country has become more and more dependent for the initial selection of its recruits on the formal education system. The Institute of Chartered Accountants in Scotland has for long been linked with its country's universities and the Institute in Ireland is rather a law unto itself; but in the other four major bodies of the profession the growing reliance on the values and interests of academic establishments has given rise to mixed feelings.

These feelings in the Institute of Chartered Accountants in England and Wales, the Association of Certified Accountants, the Chartered Institute of Public Finance and Accountancy, and the Institute of Cost and Management Accountants, are not mixed equally, while a number of the institutes' members hope that the dependence will continue increasing even to the point where accountancy became exclusively a graduate profession, it seems fair to say that a considerably larger number doubt the wisdom of any further large-scale extension.

Requirement

The opponents have already seen the academic standards for entry to professional training rise to two GCE Advanced level passes — which is also the notional standard for entry to a university degree course. They have also seen a growing requirement for non-graduate entrants to take a formal course lasting up to a year in a polytechnic or college befo.e beginning their practical training. So the doubters could scarcely have been pleased by the news fairly recently that the professional bodies broadly approved of the proposals for developing education in accounting which were made by Profeso: David Solomons in his report, *Prospectus for a Profession*, which was published by the Advisory Board of Accountancy Education last year.

After all, one of the first of Professor Solomons' proposals was that all candidates for the profession should normally have undergone "a minimum of two years of full-time study in a university or polytechnic." The two-year minimum study he had in mind was an accountancy-orientated course for the new national sub-degree qualification, the Diploma in Higher Education. Since this suggestion would at least double the length of formal course required of non-graduate entrants and ostensibly, by leading to a national "academic" qualification, reduce the profession's own influence over the award of passes and failures, it would certainly lead to a further increase in reliance on the State education system.

The doubters, however, would be wrong to alarm themselves by thinking that the institutes' broad approval of the Solomons Report indicates that this proposal will be taken up.

For a start, while the "approval" signifies that the professional bodies are not unpleasantly at loggerheads over the professor's recommended scheme, it certainly does not mean that they are anything like agreed to unite in putting the plan into force. In addition, the idea of the Diploma in Higher Education and the two years' full-time study for non-graduate candidates—when only three years are required for a degree—would almost definitely have been a non-starter even without the recent decline in youngsters' enthusiasm and taxpayers' finance for formal study beyond school.

The probability is that for non-graduate entrants the initial full-time study will remain at no more than a year in length with no lessening of the profession's influence over the courses and their examinations. If anything, there could even be pressure to increase this influence. Dissatisfaction has been growing within the profession at the tendency of State educational institutions to award places on the initial courses to students from overseas who, although they might be capable of passing the examinations at the end, in many instances have little real prospect of being selected for the necessary period of practical training with a reputable concern.

The Solomons Report also suggested that full-time initial study be stipulated for the profession's graduate entrants whose degree studies had been either completely or partly unconnected with accountancy. These people, the professor suggested, should carry on at university or polytechnic to take a graduate-diploma course, which for the "non-relevant graduates" would last a calendar year. "The profession should accept the examinations of the universities and polytechnics," the report declared, "and should not re-examine the material covered in the prescribed curriculum."

However, the signs are that the profession as a whole prefers to continue the present pattern by which the question of whether or not to follow a degree-course with formal accountancy studies is left optional, and the non- or less-relevant graduates are required to pass appropriate professional examinations at an intermediate stage. Here again a proposal which would have considerably increased the dependence on the State education system looks certain to be left in abeyance.

What is more, although graduates will surely make up an increasing share of the profession's intakes of recruits in the future, it is highly doubtful that accountancy will ever become even nearly a graduates-only career.

Manpower

For all the growth of interest in recruitment on the campus, it was only last year that graduates came to account for half the intake of people for training under the Institute of Chartered Accountants in England and Wales. True, the Government's newly announced policy of tailoring the number of degree-course places in higher education to forecasts of national needs of manpower may well promote more courses related to accountancy. But with yesterday's plans for further large expansion of higher education under severe threat from today's search for economies in public spending, it seems inconceivable that the universities and polytechnics could manage to provide anywhere near enough candidates to satisfy the recruitment needs of the whole profession. So—and to my mind, happily—the "academicising" of accountancy will also be held back by the need to go on recruiting and training large numbers of school-leavers.

This is not to say, however, that there neither should be nor will be some further reliance placed on the education system in other ways. For one example, I have little doubt that accountancy would stand to gain in the long run from the discriminating promotion of more basic research into its concerns. For another, there seems to be a lot of sense in the idea—which was included in Professor Solomon's proposals although it was apparently abroad in the institutes beforehand—that the years of practical on-the-job training should be punctuated with periods of concentrated "practical instruction" in a formal setting.

Another point on which there could well be increased collaboration with the State system is the development of a "junior qualification" for people who, although working in the accounting function, do not or cannot aspire to qualify as accountants proper.

An effort to develop a junior professional body for these people is being made through the formation under the sponsorship of the Association of Certified Accountants of a body called the Institute of Accounting Staff. Although this junior body has been set up and has just held its first examinations, however, it seems probable that the junior qualification could best be built up by means of the State system's further education colleges.

Because of this, the London-based institutes will soon be asking the Business Education Council to promote throughout the country an accounting-orientated course at Ordinary National Certificate level. The certificate could then become the desired junior qualification, and the major institutes would be free of having to spend time and money on the large-scale development of a junior body. That would constitute an "academic takeover" which surely no fee-paying professional accountant would ever object to.

Michael Dixon
Education Correspondent

Crossing world frontiers

IF ANY WISDOM can be distilled from the endless and highly technical discussions turning round the EEC harmonisation proposals it is that harmonisation of accountancy rules is not as important as internationalisation of the profession itself. This need not necessarily mean uniformity across Europe. Accountants are exposed to different expectations from companies, governments and society at large in each country. These expectations will continue to differ for a long time. The task facing accountants is to respond simultaneously to more than one set of these expectations.

The course taken by the "true and fair" discussion is a good example of the problems involved. It was hailed as a great success by U.K. accountants when the EEC Commission gave way and included in its Draft Directive the requirement that accounts should "give a true and fair view," instead of merely being "accurate" and "conforming to the principles of proper accounting." Yet no sooner was that victory announced than the significance of the "true and fair" concept was questioned in an Occasional Paper published by the Institute of Chartered Accountants in England and Wales.

Although used in the U.K. Companies Act, neither lawyers nor accountants have attempted to define the terms. The British view has been that "true and fair" acquires the meaning through common usage and the longer it is used the less necessary it is to seek a definition. However, the author of the Occasional Paper, Mr. John Chastney, argues that "this is nothing less than a dangerous assumption. The less discussion and argument there is on the meaning of the phrase .... the greater is the possibility that there will be a variety or range of personal meanings attributed to the phrase by all those who use it and see it used."

Britain, Australia, New Zealand and in a way, also the Netherlands, are the only countries using the concept of true and fair, while in the U.S. accounts should present facts fairly and according to generally accepted accounting principles consistently applied. EEC countries stress statutory requirements—it is the absence of such detailed accounting regulations in the U.K.'s Companies Act which was the reason for the establishment of the true-and-fair concept. Because of this different background the readers of financial statements in the U.K. would not necessarily have the same understanding of the meaning of true and fair as their Continental counterparts.

There are other major objections to the EEC harmonisation attempts. In the first place the Commission's decision to leave the problem of consolidated accounts to a later directive has greatly reduced the importance of the fourth directive. Moreover, conforming to standard forms may make life difficult for U.K. firms — to the point of necessitating two sets of accounts — without achieving compa.ability across Europe. This will be made impossible by distortions produced by historical costs—different in each country according to the pace of inflation — by secret reserves permitted in some countries and tolerated in others, and by the over.iding aim of tax evasion which makes full disclosure impractical, for example, in Italy.

Promising

It seems more promising to pursue the comparability of accounts—when really required as in the case of large companies with international associations—by international links of accountants and by an internationalisation of the profession. This could be achieved by large international partnerships, by co-operation between accountants of different countries and finally by migration of accountants.

Such developments should be greatly facilitated by the liberalisation of establishment of businesses and professions in another member country and by the liberalisation of services rendered across national borders. Progress on this front has been speeded up by the European Court's decisions in *Rayner* and *Binsbergen*. *One of* the consequences of these decisions, for example, is that the requirement of German and Danish nationality for the obtaining of national professional qualifications in those two countries can be seen as outlawed by the European Court. The opportunity which this development is opening to British accountants can be assessed from the relative numbers of accountants in the individual member countries and the status they enjoy.

While in the U.K. the three chartered institutes have a membership in excess of 60,000 and enjoy a very high status in the economy of the country, the number of German *Wirtschaftsprüfer*—the qualification coming closest to a chartered accountant—is about 3,000. Though small, the profession is well organised. Meticulous compliance with the law and the Company Statute is the dominant factor in Germany rather than an overall requirement expressed by the true-and-fair concept. Secret reserves are permitted in private companies.

In France the number of qualified accountants is less than 10,000 and though great progress has been made in recent years the training and admission requirements are still not of a very high standard. Belgium has less than 2,000 qualified accountants. Secret reserves are tolerated and the standard of auditing is less sophisticated than in the U.K., partly also because of deficiencies of company law.

Dutch accountants undergo a thorough training including a good deal of theory. The true-and-fair concept has been underlying their work for some time though it is not professed in the same explicit way as the U.K. While Holland comes closest to the U.K. in professional standards and ethics, Italy is on the opposite end of the scale. It has two professional bodies with a total of over 20,000 members but they have little opportunity of auditing in the way the word is understood in the U.K. Many companies have two sets of accounts. In such cases the true accounts are not disclosed, while the other set of accounts provides the starting point for horse-trading with the tax inspector.

A. H. Hermann

Expanding role in industry

IN THESE stringent economic times the status of the accountant has taken a distinct upturn. Suddenly the exuberant practitioner in such specialist fields as receiverships, investigations or consultancy is enjoying the same kind of status as a merchant banker.

Even in industry and commerce the skills of the numerate are sought and given intense credence at a time when hyper-inflation threatens and the intricacies of how inflation affects profits are known to but a few. Complicated legislation needs expert interpretation and here again the accountant has come into his own.

It was, after all, the Institute of Chartered Accountants in England and Wales that drew attention to the disastrous effect on industry's cash flow of the lack of profitability caused by the prices policy together with the increasing rate of inflation. It was this protest which moved the Chancellor of the Exchequer to provide tax concessions to industry to allow for the erosion of value to stocks as a result of inflation.

Although it was the Institute which expressed its grievances to the Prime Minister, the ground work was done, as it continues to be done, by the 30,000-odd accountants in industry and commerce.

It is estimated that just over half the total membership of the Institute operates outside the profession. Indeed, it is the professed aim of the Institute to provide training not only for the practitioners but also for the person who wishes to use accountancy as a springboard to general management. The aim is to cover the whole range of activities from managing an accounts department, or acting as treasurer or controller of a commercial company, to the role of financial director.

The training given to accountants is even currently being adapted to the new business environment and the syllabus is being adapted to emphasise management accounting, economics, data processing and statistics. In addition, plans are being drawn up to provide specialist fellowship examinations in related subjects. This will enable the qualified accountant to tailor his education for specific career paths. The first of these examinations is planned for 1978, initially on a voluntary basis.

Another step being taken is to encourage those under training contracts to be seconded to industry for a period of up to six months.

There are three types of teaching offered by the Institute. The first consists of a series of courses lasting from one day to three or more. A lot of these 120 or so courses are run by members of the Institute.

Spontaneous

Then there are the conferences—organised usually on a spontaneous basis—to discuss with members implications of new legislation, etc. The use of these conferences and courses has been proved by the fact that over the past three years the proportion of non-practising accountants making up the audiences has increased from a quarter to a half.

Finally there are the package courses for in-house training which the Institute prepares. These operate through video-cassettes and so far there are three subjects with another two to following shortly. The hope eventually is to have a full library of relevant topics.

In these efforts the small companies are not forgotten. In helping members in industry and commerce, the Institute liaises with the small firms advisory centres set up by the Department of Industry and part of the aim is to help accountants and other officers in small firms prepare presentations to banks when seeking further funds—a notable weakness in this sector of the market.

One of the traditional weaknesses in the profession and among its members outside is in public relations. Accountants may not have as strong a role to play in the current debate about the social role of business. Naturally there are interfaces, as in the increasing trend for companies to prepare special reports for employees explaining the annual results in far simpler terms than the annual accounts, which are strictly statutory documents.

It is on this side that the Institute needs to develop more concern and evidence of this was cited in its survey two years ago which stated that accountants were considered by large firms to be particularly weak in (a) communicating with other members of management; (b) commercial ability; and (c) managing people.

For the moment, however, it is still the numerate skills which industry is after and there is still a shortage, especially of young qualified men. Naturally pay for accountants has increased as their skills have become more in demand. Salaries for newly qualified start at around £3,000 a year but can be as high as £4,500. This compares with around £2,000 only some three or so years ago.

But there are still some in industry that are trying to get these skills cheaply. According to Mr. John Hough, secretary of the Institute, "There are lots of posts offered at unrealistically low salaries which are not being filled."

Although demand is outstripping supply, there is a steady flow of qualified accountants into business. Annual admissions have risen from just over 2,000 in 1966 to almost 3,500 in the 12 months up to the end of May this year. And four out of every five end up in business within two years of qualifying.

Roy Levine

sca

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PARLIAMENT

Stern warning to State industry chiefs

Pay over £6 limit and you'll be sacked, says Varley

BY JOHN HUNT

A VERY tough line on the Government's anti-inflation policy was taken yesterday by Mr. Eric Varley, the Industry Secretary, with a warning that the chairman of any nationalised industry which exceeded the £6 limit on pay increases would be sacked.

Answering questions in the Commons, he also hinted that if such a breach of the policy did take place, then the entire Board of the offending nationalised undertaking might be removed as well.

The warning from the mild-mannered Mr. Varley, delivered in his usual quiet measured tones, came as something of a surprise to the questioner, Mr. Peter Walker, a former Tory Trade and Industry Secretary.

Mr. Walker suggested that if any nationalised industry decided to give an increase of more than £6 a week at the expense of its investment programme, then the Government should dismiss the Board concerned.

Mr. Varley replied: "The answer is, not necessarily the Board, but certainly the chairman, who would take the responsibility."

There was no doubt, he added, that if the Government's counter-inflation policies were not observed by the nationalised sector there would be consequences along the lines


Mr. Eric Varley

suggested by Mr. Walker. This was taken by MPs as a clear indication that the Board might well be sacked along with the chairman.

The exchanges started with a question from Mr. Neville Trotter (C. Tynemouth) who maintained that it was wrong at this time for the Government to continue with "misguided" nationalisation schemes.

Mr. Varley told him: "I can't agree. The Government is committed to a vigorous and healthy private sector but also a healthy, vigorous and expanding public sector. These will run side by side."

Mr. Arthur Blenkinsop (Lab. South Shields) said that he had received many representations from Tyneside workers calling for rapid implementation of the Government's programme for the nationalisation of the shipbuilding and shiprepair industry.

Mr. Varley assured him that the Bill for the nationalisation of the shipbuilding and the aircraft industries still had the highest priority. It would be introduced as soon as possible next session and he hoped there would be a second reading by November. The organising committee for the industries would get to work soon after that.

In other questions Mr. Michael Heseltine, "shadow" Industry Secretary, said that in view of the anti-inflation policy and the Chancellor's emphasis on the need to make sacrifices, the Government should abandon the shipbuilding and aircraft nationalisation proposals. The scheme would cost £500m.

But Mr. Gerald Kaufman Under-Secretary for Industry, told him: "To abandon this nationalisation would not be a sacrifice for this Government but for the country which requires a publicly owned aircraft industry."

My task to operate law as it stands —Silkin

ATTORNEY GENERAL, Mr. Sam Silkin, was challenged in the Commons yesterday about the apparent inconsistency in his "suppressing certain political memoirs" and his evidence to the Radcliffe committee on Ministerial memoirs that the rules restricting publication of such diaries should be relaxed.

The challenge came from Mr. Jonathan Aitken (C Thanet E.) as MPs tried to quiz the Attorney General on Mr. Richard Crossman's diaries. They experienced difficulty since the issue had been declared sub judice some weeks ago because it was the subject of a court case.

Mr. Silkin told the House: "My task is to operate the law as it stands—but I can take a view about whether the law as it stands needs amendment. I was asked to express a view to the Radcliffe committee and I did so."

Mr. William Hamilton (Lab Fife C.) pressed him to take another look at the Official Secrets Act, particularly the section dealing with the 30-year rule.

Mr. Silkin pointed out that this Act was a matter for the Home Secretary. He then referred to an article in that day's Guardian which, he said, was "an accurate statement" of his views about the 30-year rule.

The report stated that Mr. Silkin believes the rules on publication of Cabinet Ministers' memoirs should be liberalised.

Mr. Eric Heffer (Lab Walton) wanted to know if Mr. Silkin had taken into consideration the Government pledge to look at the Official Secrets Act "when he was issuing certain writs recently over a book we are not allowed to discuss in this House at the moment."

Mr. Silkin: "Any decision I take as guardian of the public interest in my independent capacity has to have regard to the law as it is now, not in the future."

Ban on wills publication refused

THE GOVERNMENT yesterday rejected a suggested ban on Press publication of details of wills.

Sir Anthony Meyer (C., West Flint) had referred to current proposals in the Isle of Man on the subject and said that many other countries had forbidden the Press to print details.

Solicitor General, Mr. Peter Archer, said that the arguments on both sides were extensive.

Substantial arguments for publication were the public interest in legatees knowing the contents of a will, possible claims under the Inheritance Act, and creditors knowing whether it was worth bringing proceedings.

"On balance, the Lord Chancellor (Lord Elwyn-Jones) does not consider that this inhibition on the Press would be justified." Mr. Archer added.

'State takeover is only one option for NVT factories'

BY JOHN HUNT

NATIONALISATION of the two Norton Villiers Triumph motorcycle factories at Small Heath and Wolverhampton and the Triumph workers' motorcycle co-operative at Meriden is one of the options open to the Government, Mr. Eric Varley, the Industry Secretary, told the Commons yesterday.

He said that he hopes to receive the report on the future of the British motorcycle industry from the Boston Consulting Group later this week and would expect to make a statement on the industry before the Commons rises for the summer recess at the beginning of August.

The Boston group has already made an interim report on the industry. The final document will contain a whole range of recommendations.

Mr. John Biffen (C., Oswestry) asked the Minister if the nationalisation of the three factories was one of the options he was considering.

Mr. Varley retorted: "It is only one of the options. I must ask you to await the report."

The Conservative "shadow" Industry Secretary, Mr. Michael Heseltine, found it incomprehensible that Mr. Varley could not make a statement as his predecessor, Mr. Anthony Wedgwood Benn, had been studying the matter for 16 months.

Mr. Leslie Huckfield (Lab., Nuneaton) pointed out that the machines made in the three factories were the last sort of bike in which the British motor cycle industry had maintained a foothold in the market.

Mr. Varley said that he would be considering the whole future of the industry. "It is a question very much of whether there are overseas markets for NVT motor cycles," he added. "I understand that stocks in the United States are very high at the present time."

MPs urge procedure changes in Commons

MR. EDWARD SHORT, Leader of the House, is to be asked by two MPs to implement some of the procedures of the European Parliament.

Mr. Tom Normanton, Conservative MP for Cheadle, said: "At Strasbourg, there is strict discipline on the consumption of time on the floor of the House. If your name is down for a debate, you can rely absolutely on being called to speak."

After her first trip to Strasbourg last week, Mrs. Winifred Ewing, Scottish National Party MP for Moray and Nairn, has tabled a Commons motion describing the Strasbourg method of selecting speakers and allocating time for them as "infinitely preferable to the arrangements which have beset the Commons for centuries past."

Farmers must have reasonable return for effort, says Peart

BY PHILIP RAWSTORNE

BRITAIN'S FARMERS could look forward this year to only a heavy crop of problems, Mr. Michael Jopling, Tory spokesman on agriculture, complained in the Commons yesterday.

It wasn't just the weather, he said—though that, as usual, was bad enough.

The beef industry was "tottering under the traumas" of the Government's policy last year, Mr. Jopling declared.

Egg producers had lost money in 12 of the last 14 months; confidence in the glasshouse industry was shattered: dairy herds were drying up; and pigs were in decline.

Quite apart from all that, Labour's dogma and ideology had weighed down farmers with the millstones of capital taxes, said Mr. Jopling.

The view down on the farm was that the industry was facing its gravest crisis since the Second World War with confidence so low that there was a distinct danger that farmers would dig in rather than risk expansion.

Mr. Jopling urged the Government to sprinkle some cash over the industry; to cut the EEC's green pound to provide the farmers with some much-needed sustenance. "That would be the quickest way to restore confidence," he said.

Mr. Peter Hardy, Labour MP for Rother Valley, rather curtly dismissed the Tory complaints as "bleating."

But Mr. Fred Peart, the Minister of Agriculture, though firmly perched on the recent Government White Paper, took a more sympathetic, if longer-term, view.

He recognised the difficulties: was aware of the problems, he insisted.

And while the Tories fretted impatiently for action, he handed out some no doubt useful advice to farmers not to burn their stubble and to keep their beef cattle for sale next spring.

"Farmers must have a reasonable return for their skill and effort," he intoned to a few cheers. "It is inefficient production which must be discouraged," he added to more applause.

But apart from a vague hint that the green pound might soon be cut, he had little of substance to offer.

It was "a bit thin" said Mr. Francis Pym, from the Conservative benches, to encourage any substantial contribution from the industry to our national recovery.

Taxation fears 'genuine but premature'

FARMERS' FEARS about capital taxation were genuine but "premature," Agriculture Minister, Mr. Fred Peart, said in the Commons yesterday.

Speaking in a debate on agriculture, he urged MPs to await the report of the Commons Select Committee on the wealth tax and the development of the Government's policies before forming a judgment.

Mr. Peart said he knew farmers were considerably perturbed about capital taxation measures. He did not accept that they were inconsistent with its wish to see an increase in agricultural production.

The Government had made it abundantly clear that it recognised there were problems with capital taxation of agriculture.

In addition to special measures already included in the Finance Act and other legislation, the whole question of the effect of capital taxation on agricultural production was being examined by an interdepartmental committee.

Resources

The capital transfer tax only applied to gifts or on death and a considerable measure of relief had already been given. A similar measure was proposed on capital gains tax — and the wealth tax was being examined by the Select Committee.

"While therefore I recognise that the fears which have been expressed are genuine, I suggest they are premature."

Mr. Peart said that in the White Paper, "Food from our own resources" the Government had deliberately set out to establish a longer-term look at agriculture, which could not be dealt with simply on a year-to-year basis. The industry had welcomed the White Paper.

He did not believe there was any risk of milk being short for liquid consumption this winter. But he was concerned at the continued decline in the dairy sector.

On beef, the Minister said that producers who could avoid marketing their animals at present weak prices would benefit considerably if they could hold them until spring.

"I am sure it is widely recognised that farmers must have a reasonable return for their skill and effort. They cannot otherwise be expected to produce the food we must have.

"I hope to be able to say more about this shortly but I cannot say more to-day."

Mr. Peart said he knew about the possible impact on our dairy industry of the EEC Commission's ideas for a two stage price fixing in the milk sector. But he would not accept arrangements which bore inequitably on U.K. producers.

A consultative document would be issued soon on the form of legislation over tied cottages. "In achieving this reform, we will certainly see that full consideration is given to the problems of agriculture, so that our food production objectives are not prejudiced."

Millstones

Opposition agriculture spokesman Mr. Michael Jopling said that capital transfer tax, the Community Land Bill, wealth tax, re-rating of agricultural land and the Government's intention to abolish tied cottages had shattered farmers' confidence.

"On the one hand, the Government says 'Produce more food,' at the same time it says 'You must do it with these millstones around your necks.'"

The greatest loss of confidence was in milk production. Because of the increase in slaughtering, it was estimated that by the end of the year, the dairy herd would be 9 per cent. down on two years before, if nothing was done.

"This means that there is going to be much less milk in this country this winter."

Despair

He had received reports that liquid milk might be rationed this winter. "I doubt whether that will be necessary, but I want reassurances about this, and so do housewives who are anxious about it."

It seemed clear to everyone but the Government that if more food was wanted, the industry could not be shackled with capital taxation and other legislative burdens.

Mr. Jopling called for a revaluation of the "green pound" the fixed rate pound used for European trading purposes, which, he said, had got out of line with the value of the floating pound. A 10 per cent. revaluation would mean an increase in the cost of living of only ½p in the pound. Unless the Government did something soon, food prices would rise far more.

Mr. Francis Pym (C Cambridgeshire), said that farmers and farmworkers were ready and willing to do their job, provided they had a climate of confidence and an assurance of fair and reasonable return. "But the climate of confidence does not exist, and the prospect of fair and reasonable return is not apparent."

Liberal agriculture spokesman Mr. Emlyn Hooson spoke of "real despair" in the egg industry. "It may be necessary to impose unilateral import controls on eggs. If it is necessary, the Minister should not hesitate to do it."

Dr. Colin Phipps (Lab. Dudley W) called for the nationalisation of all farming land, through the use of capital transfer tax.

He criticised plans to levy capital transfer tax on farms at the rate of 50 per cent. arguing that it would be difficult for farmers to pay the tax without selling half their land. This would lead to fragmentation of farms.

CTT should be applied at 100 per cent. payable in land instead of cash. He would be happy to see the right of tenancy passed on to farmers' sons, while the land went to the State.

RICH IRON ORE FIND IN CUMBRIA

Boreholes sunk in the region of Gulley Flatts, Egremont, Cumbria, have indicated rich iron ore deposits. The discovery has been reported to Copeland Borough Council, which had hoped to use land in the area as a new industrial estate.

The Council now acknowledges that an alternative site at Bridge End, Egremont, is suitable for development.

The rising world price of raw materials has rekindled interest in the Cumberland iron ore fields, which once were a staple home industry.

Government acts on credit blacklists

A CHANGE in the Sex Discrimination Bill which would outlaw victimisation of women by credit companies was agreed in the Lords yesterday.

During the Bill's committee stage Home Office Minister of State, Lord Harris of Greenwich, said that the Government-proposed change would extend the definition of victimisation in the Bill.

He said: "It would deal with the situation along these lines: A woman institutes proceedings against a consumer credit company, alleging that she has been discriminated against over credit facilities.

"Because she has brought proceedings against them, the company puts her on a blacklist so other companies refuse her credit. Under the Bill as drafted, this would not be acting unlawfully, but under the amendment it would."

A move to tighten up a provision in the Bill to avoid indirect discrimination was defeated by 60 votes to 37, a Government majority of 23.

Baroness Seear (L) had sought a change to cover cases where an employer imposed conditions for a job or for training for a job which would be difficult for a woman to comply with.

The Bill provides that an employer must show the condition to be "justifiable," but Baroness Seear preferred the word "necessary."

She said that justifiable was too loose a term. It meant that the existing position could be defended.

To make it a requirement that the employer should prove it necessary for this condition to exist would be far tighter.

Another amendment moved by Lady Seear to make it unlawful for a firm of partners to discriminate against women in appointing partners was defeated by 48 votes to 34, Government majority 12.

She argued that women could be discouraged from professions such as accountancy, the law and medicine, if they thought that they were unlikely ever to be able to become partners in such firms.

For the Government, Lord Jacques said that the Bill was reasonable as it stood in making it unlawful for a firm consisting of six or more partners to discriminate against a woman.

In smaller firms personal relationships were so important that it would not be unreasonable for a firm to want to choose a man.

First-class letters down

FIRST-CLASS letter traffic fell by 26.6 per cent. and second-class rose 11.5 per cent. between March 23 and June 28, compared with the same period last year. Under-Secretary for Industry, Mr. Gregor Mackenzie, said in a Commons reply yesterday. He added that 59.9 per cent. of letter traffic was sent by second-class post, an 040.5 per cent. by first-class.

Piccadilly 'tatty slum' MP says

An MP renewed his demand yesterday for Government action over London's Piccadilly Circus. He branded it a "tatty slum," of "broken down property haunted by broken down people."

Mr. Marcus Lipton said: "It is no less than a national scandal that London's most important landmark—some regard it as the centre of the world—should be allowed to deteriorate into its present shabby condition."

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on July 14, 1975. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from the market rates of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S. dollar parities and going sterling-dollar rate; (Bk.) bankers' rate; (Bas.) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place and Local Unit		Value of £ Sterling
Afars & Issas	Djibouti Franc	368.0(sg)
Afghanistan	Afghani	154 (A)
Albania	Lek	(O)10.10(A) (T)23-25(A)
Algeria	Dinar	A 7.9270(sg)
Andorra	French Franc	9.14½
	Spanish peseta	125.10
Angola	Ang. Escudo	55.55
Antigua (S)	E. Caribbean	4.80
Argentina	Ar. Peso	(cm) 58.98 (fn) 85.78
Australia (S)	Australian $	1.6615
Austria	Schilling	37.90
Azores	Portug. Escudo	55.55
Bahamas (S)	Ba. Dollar	2.1925
Bangladesh (S)	Taka	[illegible]
Bahrain (S)	Dinar	0.857
Balearic Is.	Spa. Peseta	125.10
Barbados (S)	Barbados $	4.385**
Belgium	B. Franc	(cn) 80.10 (fn) 84.175
Belize	B$	4.0
Bermuda (S)	Bda. $	2.1925
Bhutan	Indian Rupee	18.5522(sg)
Bolivia	Bolivian Peso	43.85
Botswana (S)	S. A. Rand	1.564507
Brazil	Cruzeiro	17.75
Br. Solomon Is. (S)	Australian $	1.6615
Br. Virgin Is. (S)	U.S. $	2.1925
Brunei (S)	Brunei $	5.198
Bulgaria	Lev	(O) 2.24 (T) 2.77
Burma	Kyat	A 14.381(sg)
Burundi	Burundi Franc	172.56
Cambodia	Riel	n.a.
Cameroon Rp	C.F.A. Franc	457¼
Canada	Canadian $	2.2565
Canary Is.	Spanish Peseta	125.10
Cape Verde Is	Cape V. Escudo	55.55
Cayman Is. (S)	Cay. I. $	1.8267
Cent. Af. Rp.	C.F.A. Franc	457¼
Chad	C.F.A. Franc	457¼
Chile	C. Escudo	(Bk) 11,612 (T) 12,7070
China	Renminbi Yuan	4.0287
Colombia	C. Peso	(F) 68.25
Comoro Is.	C.F.A. Franc	457¼
Congo (B'ville)	C.F.A. Franc	457¼
Costa Rica	Colon	18.9556
Cuba	Cuban Peso	1.8223
Cyprus (S)	Cyprus £	0.8875
Czechoslovakia	Koruna	(com) 12.50 (n/c) 12.24 (T) 21.42
Dahomey	C.F.A. Franc	457¼
Denmark	Danish Krone	12.54
Dominica (S)	E. Caribbean $	4.80
Domin. Rep.	Dominican Peso	2.1925
Ecuador	Sucre	(O) 54.64 (F) 54.81
Egypt	Egyptian £	(O) 0.850125 (T) 1.45175
Ethiopia	Ethiopian $	(P) 4.5457
Eq'l Guinea	Peseta	125.10
Falkland Is. (S)	Falkland Is. £	1.0
Faroe Is.	Danish Krone	12.54
Fiji Is. (S)	Fiji $	1.7785
Finland	Markka	7.97¼
France	French Franc	9.14½
Fr. C'ty in Afr.	C.F.A. Franc	457¼
Fr. Guiana	Local Franc	9.14½
Fr. Pac. Is.	C.F.P. Franc	166.27
Gabon	C.F.A. Franc	457¼
Gambia (S)	Dalasi	4
Germany East	Ostmark	9 (A)

Place and Local Units		Value of £ Sterling
Germany West	Deutschemark	5.35¼
Ghana (S)	Cedi	2.55
Gibraltar (K)	Gibraltar £	1.00
Gilbert & Ellice Is. (S)	Aust. Dollar	1.6615
Greece	Drachma	68.5050
Greenland	Danish Kroner	12.54
Grenada (S)	E. Caribbean $	4.80
Guadeloupe	Local Franc	9.14½
Guam	U.S. $	2.1925
Guatemala	Quetzal	2.1925
Guinea Rep.	Syli	n.a.
Guinea Bissau	♥♥	♥♥
Guyana (S)	Guyanese $	5.21
Haiti	Gourde	10.962
Honduras Rep	Lempira	4.385
Hong Kong (S)	H.K. $	10.91
Hungary	Forint	(com) 104.41 (non-com T) 49.07
Iceland (S)	I. Krona	336.75
India (S)	Ind. Rupee	18.5522(sg)
Indonesia	Rupiah	909.8875
Iran	Rial	A 145.0
Iraq	Iraq Dinar	0.77117
Irish Rep	Irish £	1.00
Israel	Israel £	15.4924
Italy	Lira	1.417
Ivory Coast	C.F.A. Franc	457¼
Jamaica (S)	Jamaica Dollar	1.9920
Japan	Yen	646
Jordan (S)	Jdn. Dinar	0.685(sg)
Kenya (S)	Ken. Shilling	15.6674
Korea (Nth)	Won	n.a.(g)
Korea (Sth)	Won	1,054.07
Kuwait (S)	Kuwait Dinar	0.628
Laos	Kip	n.a.
Lebanon	Lebanese £	4.850
Lesotho	S. African Rand	1.564507
Liberia	Liberian $	2.1925
Libya	Libyan Dinar	(P) 0.6491
Liechtenstein	Swiss Franc	5.67¼
Luxembourg	Lux Franc	80.10
Macao	Pataca	12.7525
Madeira	Portug'se escudo	55.55
Malagasy Rp.	MG Franc	457¼
Malawi (S)	Kwacha	1.8351
Malaysia (S)	Malaysian $	5.225
Maldive Is. (S)	Mal Rupee	n.a.
Mali Rp	Mali Franc	914½
Malta (S)	Maltese £	0.855575
Martinique	Local Franc	9.14½
Mauritania	Ouguiya	◆
Mauritius (S)	M Rupee	15.56
Mexico	Mexican Peso	27.56
Miquelon	C.F.A. Franc	457¼
Monaco	French Franc	9.14½
Mongolia	Tugrik	(O) n.a.(g) (T) n.a.
Montserrat	E Caribbean	[illegible]
Morocco	Dirham	8.45(sg)
Mozambique	Moz. Escudo	55.55
Nauru Is.	Aust. Dollar	1.6615
Nepal	Nepalese Rupee	24.40
Netherland	Guilder	5.55½
Neth. Ant'les	Antillian Guild	3.9248
New Hebrides	Franc	147.80
	Austl. Dollar	1.6615
N. Zealand (S)	N.Z. Dollar	1.8985
Nicaragua	Cordoba	15.39
Niger Rp	C.F.A. Franc	457¼
Nigeria (S)	Naira	1.4043
Norway	Norwg Krone	11.24¼
Oman Sultanate of (S)	Rial Omani	0.748
Pakistan (S)	Pkst. Rupee	21.35(sg)
Panama	Balboa	2.1925
Panama Canal Zone	U.S. $	2.1925
Papua N.G. (S)	Austl. Dollar	1.6615

Place and Local Unit		Value of £ Sterling
Paraguay	Guarani	275.45
P'ple D. Rp. of Yemen (S)	S. Yemen Dinar	(A) 0.75
Peru	Sol	(ex/c) A 84.65 (A) 85.24*
Philippines	Ph. Peso	16.455
Pitcairn Is. (S)	£ Sterling	—
	New Zealand $	1.8985
Poland	Zloty	(Bas.) [illegible] (T) 76.60
Portugal	Pgse Escudo	55.55
Port Timor	Timor Escudo	55.55
Principe Isle	♥♥	♥♥
Puerto Rico	U.S. $	2.1925
Qatar (S)	Qatar Ryal	8.47
Reunion Ile de la	C.F.A. Franc	457¼
Rhodesia	Pound ●●●	n.a.
Romania	Leu	(com) 11.35 (n/com T) 27.68
Rwanda	Rwanda Franc	215.82
St. Christopher (S)	E. Caribbean $	4.80
St. Helena (S)	£ Sterling	—
St. Lucia (S)	E. Caribbean $	4.80
St. Pierre	C.F.A. Franc	457¼
St. Vincent (S)	E. Caribbean $	4.80
Salvador El	Colon	5.48
Samoa Am.	U.S. $	2.1925
San Marino	Italian Lira	1.417
Sao Tome	♥♥	♥♥
Saudi Arabia	Ryal	[illegible]
Senegal	C.F.A. Franc	457¼
Seychelles	S. Rupee	[illegible]
Sierra Leone (S)	Leone	2.0
Singapore (S)	Singapore $	5.198
Somali Rep.	Som Shilling	(A) 14.7(sg)
Sth. Africa (S)	Rand	1.564507
S. W. Africa Territories (S)	S. A. Rand	1.564507
Spain	Peseta	125.10
Span. Ports in North Africa	Peseta	125.10
Sri Lanka (S)	S. L. Rupee	15.6588(sg)●●
Sudan Rp	Sudan £	(A) 0.785(sg)
Surinam	S. Guilder	3.9246
Swaziland (S)	Lilangeni	1.564507
Sweden	S. Krona	8.95½
Switzerland	Swiss Franc	5.67¼
Syria	Syria £	(A) 8.25(sg)
Taiwan	New Taiwan $	(P) 83.315
Tanzania (S)	Tan. Shilling	15.666
Thailand	Baht	44.68
Togo Rp.	C.F.A. Franc	457¼
Tonga Is. (S)	Pa'anga	1.6765
Trinidad (S)	Trin. & Tobago	[illegible]
Tunisia	Tunisian Dinar	0.887(sg)
Turkey	Turkish Lira	31.052
Turks & Caicos	U.S. $	2.1925
Uganda (S)	Ug. Shilling	15.7977
Utd. States	U.S. Dollar	2.1925
Uruguay	Uruguay Peso	(cm) 5,530 (fn) 6,070
Utd. A'b Emirates	U.A.E. Dirham	8.67
U.S.S.R.	Rouble	1.57
Upper Volta	C.F.A. Franc	457¼
Vatican	Italian Lira	1.417
Venezuela	Bolivar	9.38(x)
Vietnam (Nth)	Dong	(O) n.a.(g) (T) n.a.(g)
Vietnam (Sth)	Piastre	n.a.
Virgin Is. U.S.	U.S. Dollar	2.1925
Western Samoa (S)	Samoan Tala	1.3083
Yemen	Ryal	9.80(sg)
Yugoslavia	New Y Dinar	37.4050
Zaire Rp.	Zaire	1.1002
Zambia (S)	Kwacha	1.4296

● That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.
●● Rupees per pound. Tourists visiting Sri Lanka receive a premium of 65 per cent.
●●● A decimal currency for the dollar, equal to 10 Rhodesian shillings was introduced by the Independent regime on February 17 1970. Recent reports suggest a rate of about 1.354801 Rh. dollars to £1.
◆ The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Frs 5 to one unit of the new currency.
(x) General rate: oil and iron exports 9.2055.
(g) The Mongolian tugrik has lately been reported to stand at an official commercial rate of 0.225 Russian roubles, the North Vietnam dong at 0.306 roubles, and the North Korean won at 0.7495 roubles. With the pound standing at 1.57 roubles the following relationships could be calculated for the pound: £1=6.98 tugriks; £1=5.13 dongs; £1=210 won.
♥♥ Information not available for this edition.
* Rate is the Transfer market (controlled).
** Rate now based on 2 Barbados $ to the dollar.

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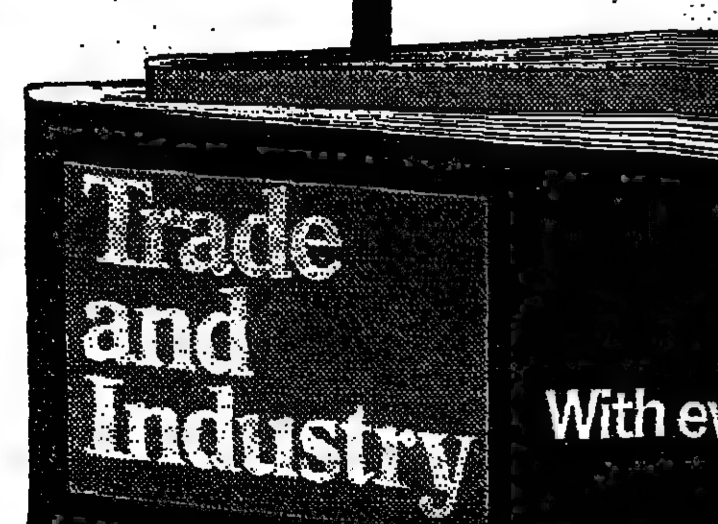

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LABOUR NEWS

Railmen's union backs anti-inflation policy

BY JOHN WYLES IN ST. HEDIER, JERSEY

QUALIFIED ACCEPTANCE of the Government's new anti-inflation policy, provided it is a "one-off" exercise lasting no longer than a year, was urged yesterday by Mr. Dave Bowman, president of the National Union of Railwaymen.

Opening the NUR's annual conference here, Mr. Bowman clearly indicated that leaders of Britain's main railway union should swing behind the Government's White Paper when they come to decide the union's pay policy later this week.

Arguing that the NUR could "accept the White Paper as a one-off exercise for a very limited period, one year," Mr. Bowman nevertheless attacked certain "weaknesses" in the Government's proposals.

He warned that while "glaring abuses of the wealth of our people exist and are allowed to exist, wage restraint will meet with opposition from the trade unions."

In addition, the White Paper had "quite specific buffer steps on wages," but there were no such curbs on prices or "penalties for profiteers charging excessive prices."

Speaking only a month after the NUR lifted its threat of a national rail strike and accepted a 30 per cent. pay offer, Mr. Bowman, a former member of the Communist Party, agreed that "higher wages contribute to higher prices and therefore to the inflationary spiral."

As a "copperbottomed each-way bet" to turn the inflationary tide, he urged the re-direction of capital investment *in British industry and a selective imports policy.*

In his first speech as the NUR's new general secretary, Mr. Sidney Weighell pledged strong NUR opposition to any move by British Rail to finance the recent pay deal by cutting jobs. The deal was "nothing more than a just settlement," said Mr. Weighell who warned that the NUR could cause the railway system to collapse merely by banning all overtime.

He said the NUR would only accept a slimmed-down labour force in return for extensive capital investment to modernise the railway system.

Men and Matters, Page 16

So do shopworkers

BY CHRISTIAN TYLER, LABOUR STAFF

A POSITIVE move in favour of the Government's anti-inflation policy, still being digested by many of the big unions, came yesterday from the 326,000-member Union of Shop, Distributive and Allied Workers.

USDAW said that it had submitted a resolution for the annual Trades Union Congress in September seeking confirmation of Congress support for the Government.

Resolution

At the same time, the 470,000-member National Union of Public Employees—which will figure in important negotiations early in the next wage round—spelled out its dislike of Friday's White Paper.

Some of NUPE's objections are already contained in a hostile resolution for Congress from the white-collar Association of Scientific, Technical and Managerial Staffs.

USDAW's counter-attack calls for acceptance "within the development of the social contract of jointly agreed policies" on prices to preserve real incomes.

Maintenance of a Labour Government "is of fundamental importance to all workers," says the resolution.

Lord Allen, USDAW's general secretary, was one of the 13 to vote against the £6-a-week package at the TUC general council on Wednesday, but his fears of a strict price freeze affecting employment in retailing were removed by the White Paper.

The national executive of NUPE has endorsed the misgivings of its general secretary, Mr. Alan Fisher.

It said that it could not support the White Paper measures, although it was "not seeking to provoke industrial confrontation with the Government."

The Government had "an equal responsibility" to implement policies that would attack the root causes of Britain's economic problems and lay the foundations for a fundamental shift in the balance of power and wealth in favour of workers and their families.

● The 10,000-strong Professional Association of Teachers accepted the Government's wage strategy "in the national interest." It said, however, that it was concerned about the effect it would have on differentials after the Houghton Report, which "corrected the anomalies which had grown up in the past."

Economic crisis 'puts Safety Act in danger'

By Our Labour Staff

A CIVIL Service union said *yesterday that one of* the main social laws enacted under the Government might not be properly implemented because of the economic crisis.

The Institution of Professional Civil Servants complained that because of the new stringency on public spending, the Government was reluctant to provide the staff necessary for efficient implementation of the Health and Safety at Work Act passed *last year.*

With fewer than 500 operational staff the Factory Inspectorate had been unable to fulfil even the more limited tasks under the old Factories Act and could not possibly cope with having to inspect more than 20m. workplaces under the new Act.

Mr. Michael Foot, Secretary of State for Employment had promised to increase the size of the inspectorate to 750 over the next five years, but from information now available the union was convinced "that because of the financial stringency this promise will not be kept."

Motor industry unions seek interim rises

BY ROY ROGERS, LABOUR CORRESPONDENT

MOTOR INDUSTRY unions are pressing ahead with their demands for interim pay increases for about 17,000 workers at British Leyland's Austin Morris complex at Cowley, Oxford, in spite of the pay controls unveiled by the Government last week.

Local union officials hope to meet the management this week to settle the matter before the complex closes for a fortnight's *holiday on Friday.*

Yesterday, Mr. David Buckle, Oxford district secretary of the Transport and General Workers Union, said that the interim claim, lodged initially on behalf of 4,000 non-production workers at the Cowley body plant, would not be affected by the TUC's £6-a-week limit on settlements.

This was because the interim claim was part of January's agreement, when the Cowley unions accepted average "new money" increases of 11.7 per cent, instead of the 19.9 per cent. to which they would have been entitled under the social contract.

They told the management that as part of the January deal they would seek interim pay improvements if the cost of living rose by more than 10 per cent. over January levels. Accordingly, demands for "substantial" increases were lodged last month *when the Retail Price Index* was 12 per cent. above January levels.

Mr. Buckle said that he fully expected the £6 limit to be respected by Cowley workers when annual negotiations begin at the end of the year for a January settlement.

The attitude at Cowley conflicts with that of 20,000 British Leyland workers at Longbridge, Birmingham, who last week decided against pressing a demand for an interim increase.

Nalgo denies 'rushed pay deal' reports

THE National and Local Government Officers' Association yesterday denied reports in some Scottish newspapers that a cost-of-living award to chief officers in Scottish local government had been rushed through to beat the proposed limitations on pay increases.

It said: "The 22 per cent. increase in chief officers' salaries includes threshold payments made since the last award on July 1, 1974, and follows the settlements agreed for local government officers in England, Wales and Scotland to date from July 1, 1975.

"The Government has announced that its proposals will affect all settlements implemented from September 1, so that there is no truth at all in the imputation that this agreement was forced through to beat the controls."

Sanctions slow port

BY OUR LABOUR CORRESPONDENT

MONTH-OLD sanctions by Southampton's 2,300 dockers, who are demanding a "substantial" interim pay rise, are having an increasing effect on the operation of the port.

The employers are eager to play down the effects of the industrial action, but it is clear that with the reduction of the 24-hour port to working day shifts only and no week-end trade, the port is being severely hit.

Many ships are being discharged on the Continent or being diverted to other U.K. ports.

Even so, Southampton port employers have shown no sign of wavering on their insistance that they will not negotiate before the next annual agreement falls due at the end of the year.

Southampton dockers, members of the Transport and General Workers Union, are among the most moderate workers in what is a traditionally militant workforce.

Their firm stance for an interim increase follows acceptance earlier this year of a 14 per cent. deal after which they saw their colleagues in other ports do considerably better, *especially in London's enclosed* docks, where the eventual agreement was for more than 30 per cent.

River freight plan backed

THE TGWU yesterday gave its support to the Transport on Water Association's aim to get more freight back on the rivers, starting with the Thames and Medway.

Mr. Jack Jones, TGWU general secretary, who has been appointed joint president of the Association with Lord Aldington, said at its inaugural meeting that the main aim was to make the Thames "come alive with traffic."

The river could carry a large number of passengers and a considerable amount of cargo. In *so doing it would bring* much needed jobs, protect the environment and reduce overall transport costs.

Trouble brews at steel plants

BY LORELIES OLSLAGER, LABOUR STAFF

FRESH TROUBLE is brewing at several British Steel Corporation plants over the way local managements are trying to implement the economy programme agreed with the trade unions nearly two months ago in order to avoid massive redundancies.

At the Shelton plant, which employs about 2,000 people, there was talk yesterday of staging a sit-in next week unless BSC modified its plans for reduced shift working.

Union officials claimed that their members would lose up to £25 a week, reducing their earnings to between £20 and £.., if the management's plans were implemented.

Mr. Bill Sirs, general secretary of the Iron and Steel Trades Confederation, said that there was also "a great measure of discontent" at other plants. The union was taking the matter up with BSC at national level.

Similar attempts to reduce shift work, in particular to eliminate highly paid week-end work, nearly led to an all-out strike last month at the giant Port Talbot works in Wales. It was avoided when BSC agreed to modify its plans to allow some week-end working.

In the meantime, BSC has written to all managers and middle managers inviting them to consider voluntary redundancies as part of the economy drive. The terms offered are in line with the Corporation's normal practice, which is more generous than that required by law.

In a separate development, the Corporation has arranged an informal meeting with leaders of the 13,500-strong blastfurnacemen's union tomorrow to discuss their threat to strike unless they are offered a better pay deal than that concluded with other manual workers unions.

The blastfurnacemen object to the Corporation's proposals for a 19-month deal, with a cost *of living adjustment to be made* at the end of this year.

Other unions have interpreted this as meaning a seven-month deal giving them complete liberty to reopen the pay issue in the winter, but acknowledge that the Government's new wage policy has superseded their interpretation.

BSC has told the blastfurnacemen that it is not willing to negotiate under duress, hence the decision to describe tomorrow's meeting as informal.

The union's decision to threaten strike action was taken before the Government published its White Paper on inflation. Theoretically, the blastfurnacemen do not come under any of the White Paper's restrictions as their deal is to come into operation before the August 1 deadline, if only retroactively.

BSC is even more unlikely now to grant them a better deal than before the White Paper was published, because its hands are tied concerning the other unions.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● METALWORKING

Big squeeze makes copper tube

LIPS BV, manufacturers of ships' propellers and one of the leading producers of copper tubes in the Netherlands, has recently transferred its manufacture of finer copper tubes in Drunen near 's Hertogenbosch to a new, highly productive plant. This plant is built up around a 4,000-tonne Quintus hydrostatic extrusion press, which is capable of reducing a 160 mm copper billet direct into a thin-walled tube with a reduction ratio of up to 500.

ASEA, Västerås, Sweden, has delivered the complete extrusion plant, comprising billet preparation equipment such as cone milling and gun drilling *machines* and billet and die heaters, as well as cooling and coiling equipment for the extruded product.

The plant produces copper tubes in dimensions ranging from 10/8 to 35/32.4 mm, that is, copper tubes for water distribution and similar purposes.

Estimated annual production capacity in one-shift operation is 3,000 tonnes. Immediately after extrusion the tube undergoes only one calibrating draw so as to obtain the required dimension and hardness according to commercial requirements. Extremely high reduction ratios are obtained by forcing the material out through a die by means of hydrostatic oil pressure up to 1,400 MPa (14,000 atmospheres). Before extrusion, the billets are preheated to approximately 550 degrees C.

Main features of the new process are that it requires few operators, the material yield is high, energy consumption is low, the wall thickness tolerances of the extruded product are better than those achieved with conventional methods, the space required is much smaller and the amount of work in progress can be substantially reduced.

ASEA (Great Britain), Villiers House, Strand, WC2N 5JX. (01-930 5411).

● TEXTILES

Czechs spin fine yarns faster

ROTOR spinning, which is a process gradually replacing ring spinning for the production of certain types and counts of spun yarns, is now entering what might be described as its second phase. Initially the speeds of the centrifugal rotors which are used to create yarns from individual fibres, were confined to speeds of some 30-45,000 rpm, which have gradually reached an upper limit of about 60,000 rpm.

The pioneering work in this new technology has been initiated mainly by the Czechs and probably the largest numbers of new type spinning frames supplied to world industry are those known as the BD 200 machines from Czechoslovakia.

In Western countries, notably Britain, Germany, Switzerland and Japan, there have been developments which have pointed towards slightly higher rotor speeds, but few companies would claim to run in excess of 60,000 rpm and then this is unlikely to be considered a particularly commercial speed because of the considerable power consumption required to drive the rotors and combat the air drag which accounts for most of the power consumed by such spindles.

The new major advance reported from Czechoslovakia makes a production rate of 90,000 rpm feasible.

Normally the rotors are driven by belts which rest against revolving spindle supports, but with the new *Czech spindle,* a self-contained electric motor is used. This makes each spindle individually driven.

The new spindle is specifically designed for producing yarns from 40 mm staple length, which is a cotton-type fibre. If longer fibres were being spun then the rotor diameter would have to be increased and this would automatically restrict the upper speed limits of such a unit.

A new machine, known as the BDA, which is based on these individually driven spindles, will be shown by Investa (British agent: Omnipol Trading and Shipping Company (London), 34-36, Gray's Inn Road, London, W.C.1. Tel.: 01-242 8840) at the big ITMA exhibition in Milan later this year.

So far little is known about the commercial feasibility of this new machine, but it is intended to build it commercially in the near future and it is likely that it will find its main application in the production of very fine count yarns which are normally felt to be outside the scope of the present rotor spinning machines which run at slower speeds.

In fact, it is argued that because of these very high speeds it will be essential to use the new machine in this area where the cost per kg of yarn is appreciably higher than the coarser yarns. What the Czechs see in this new development is a widening of the basis for the new technology which already is being applied for producing yarns for such heavy uses as carpets and blankets at one end, and sheetings and dress fabrics at the other end.

It is felt that the 45,000 r.p.m. rotor spinning machines will have a very definite position in the market as will the BDA machine, but in a more confined and more specialised area.

● INSTRUMENTS

Measures metal sheet thickness

AN ULTRASONIC miniature digital thickness gauge is available from Automation Industries, 31 Bridge Street, Pershore, Worcestershire (03865 3317). Fitting easily into the pocket it is supplied complete with probe and sprung holders for flat or curved surfaces.

Price advantage is that measurement can be made from one side only of any metal sheet in the range 1.00 to 99.9 mm. thickness, with an accuracy of ±0.1mm. The unit should prove useful for checks on boilers, pipework, storage tanks and other enclosed structures.

Operated from five small 1.5V *dry cells giving about ten hours* of continuous use (there is a battery condition indication), the unit has no appreciable warm-up time. It is also easy to calibrate. Display is gas discharge type with automatic decimal point location. Operational temperature range is −10 to +60 deg. C.

The unit, which is imported, measures only 3.6 x 1.25 x 5.1 inches and weighs under 1lb.

Industrial crystal clock

INTENDED AS a replacement for the traditional stopwatch in industrial and laboratory applications is a modular digital interval timer from Townson & Mercer, Beddington Lane, Croydon CR9 4EG (01-684 6262).

The quartz crystal-driven oscillator operates at 100 kHz with output electronically divided by 10,000 to give one pulse every 0.1 sec. The pulses are amplified to drive up to five electro-mechanical counters, one of which is built into the clock module while the others are connected with flexible leads and plugs. Each has a rocker on-off *switch and a zero setting button.*

The six digit display gives a timing maximum of about 28 hours, within 0.1 sec. The oscillator is independent of mains frequency and is controlled to within ±0.01 per cent. in ambient temperatures between 18 and 23 deg. C.

An advantage claimed over the conventional stopwatch is that reading errors are eliminated by the presentation of seconds and *tenths of a second* on a digital display. Furthermore, accuracy can be guaranteed whereas stopwatches, says the company, are most accurate only when used in the same plane as that in which they were calibrated.

Improved temperature gauging

MODULES THAT will linearise the output of platinum resistance thermometer elements and at the same time provide power have been introduced by Ancom of Devonshire Street, Cheltenham, Glos. (0242 53861).

Applications will arise wherever *temperature measurements* of better than normal stability and accuracy are required. Unlike thermocouple systems, cold junction compensation is unnecessary since the measurement is of the absolute type.

They are designated 15RP-1 and 15RP-2. The former has an operating range of 0 to 450 deg. C and is compatible with BS grade one elements, while the latter works between 0 and −630 deg. C and is for grade two elements.

Probe input design is for a platinum resistor of 100 ohms at 0 deg. C and 38.5 ohms fundamental interval. A linear output voltage proportional to temperature is produced which can be directly coupled to a digital or analogue meter or used to feed a chart recorder or other instrumentation.

Finds fault in cabling

BICCOTEST INSTRUMENTS (Balfour Kilpatrick) has added to its range of general purpose, pulse echo cable fault locators three new units (T215, T216 and T217), designed for use by telecommunication authorities. Working on the same principle, they identify the location of cable faults by simple measurement of their distance from the set, which is proportional to the time between transmission of a pulse along the line and its reflection by the discontinuity. They also provide information on a wide variety of other conditions existing along the length of the cable.

The T215 is primarily for locating faults on unloaded, balanced pair telephone cables. Its high accuracy, of the order of 0.5 per cent., is achieved by use of a crystal-derived time base delay and expansion system. This permits the reflections from selected sections along the length of the cable to be examined. It has been specially designed for simplicity of operation so that it can be used by relatively unskilled operators on the subscriber network.

T216 will locate faults in coil-loaded audio pairs. It employs a single sine wave pulse and locates faults anywhere within a loading section. Examination of the faulty loading coil section is made using the T215 to pinpoint the fault. Accuracy of distance measurement is again crystal controlled.

T217 is a composite instrument designed primarily for pulse echo testing on both 1.2/4.4(174) and 2.6/9.5(375) coaxial pairs. It incorporates an incremental delay facility for examining discrete cable sections.

Biccotest is at Delamare Road, Cheshunt, Herts EN8 9TG. Waltham Cross 29011.

● TRANSPORT

Unique gas turbine vessel

SEAWAY PRINCE, first of four vessels to be built at Whyalla Shipbuilding and Engineering Works in South Australia with main propulsion equipment supplied by GEC Electrical Projects, Rugby, England, has now been handed over to the owners.

This vessel is a 4,150 dwt ro-ro unit load carrier and is the first in the world to be equipped with a heavy-duty gas turbine and ac generator using thyristor convertors to supply the armatures of the dc propulsion motors.

In addition to the gas turbine driving the main ac generator, the machinery room situated on the upper deck also houses the main propulsion switchboard with four 3.3kV air circuit breakers, one being the incomer from the generator and others feeding the main propulsion motors and the ship's service transformers.

The 3.3kV 620 hp bow thrust motor is also fed from this board through a fused vacuum contactor.

The motor room houses two transformers which feed the thyristor convertors. Pyroclor-cooled transformers were *adopted to avoid fire hazard with* oil-filled *designs* while the rating was too great for the normal marine air-cooled transformers. Two thyristor convertors each feed a propulsion motor armature. The ship's telegraph levers, calibrated in shaft speed, effectively alter the firing angle of the thyristor cells to change the voltage applied to the motors. Trimming of the speed so that it closely corresponds to the telegraph lever setting is achieved by controlling the motor field.

One of the more critical aspects of engineering, for this vessel was the interface between the gas turbine, its control panel or "Speedtronic," and the electrical system. The systems were therefore extensively simulated by GEC Electrical Projects on an analogue computer. The resultant electrical scheme proved to be highly successful on sea trials.

Control of the vessel is either from the bridge or from the machinery control room and a distinctive feature is that the performance of the propulsion machinery can be monitored at a console on the bridge. Under normal running conditions the machinery control room will not be continuously manned and the monitoring and control system is therefore complying with the requirements of Lloyds Rules for UMS Classification.

This vessel is unique in having the first heavy duty gas turbine/electric propulsion installation to go to sea, incorporating the largest marine thyristor installation and largest marine Pyroclor transformers, and features the advantages of the inherent reliability of the heavy duty gas turbine coupled with the flexibility of electric d.c. propulsion.

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Metal Sections Ltd., Birmingham Rd., Oldbury, Warley, Worcs. Telephone: 021-552 1541.

● DATA PROCESSING

IBM pushes System 3

FOUR PROGRAMS, comprising the Initial Production and Information Control System (IPICS) announced by IBM United Kingdom apply to System 3.

IPICS is the direct result of company, and user, experience over the past ten years, in computer-based manufacturing applications particularly experience related to the System/3 customers using IBM's bill of materials processor (BOMP) and inventory requirements planning (IRP).

The IPICS suite addresses the four basic, but most urgent, application areas of the manufacturing industry, and is designed to reduce start-up costs for installing manufacturing computer applications, reduce the time companies require to instal their initial production and information control system and allow smaller manufacturing companies to implement the same types of systems as those used by larger companies.

The four programs are: engineering and production data control; product costing; inventory accounting; and materials requirements planning.

The engineering and production data control program is both the foundation and the input for the other IPICS applications. With BOMP, it supports the item master, product structure, routing and work centre files, audit procedures, retrieval reports and fields for use in requirements planning. A facility for controlling engineering changes through "effectivity dates," and a first operation used facility for component usage during assembly are included.

Separate material labour and overhead costs for all levels of assembly are calculated and accumulated by the product costing program. Changes in costs can be reflected right through to the product and the program provides quick assessments of the effect of multiple cost changes—actual or anticipated—on profit margins. Variance reports, cost summaries and selective listings are provided.

The inventory accounting program enables the user to determine the status of all items in stock, their value, the on-hand and on-order balances and the quantities allocated for orders released to the shop.

IBM, 101, Wigmore Street, London W1H 0AB (01-935 6600).

● SOFTWARE

Simulating airport movements

SOFTWARE Sciences has been awarded a contract by the Civil Aviation Authority to carry out for the Authority's Air Traffic Control Evaluation Unit a fast-time simulation of arrivals and departures at the major London civil airports.

The ATCEU will use the company's TMA (Terminal Control Area) model on a bureau network which will be accessed directly from the Software Sciences offices for consultancy support and operational guidance.

Part of an on-going programme of research and development by CAA, the programme is concerned with the optimum utilisation of runways and airspace in the London terminal area. With a capability of simulating 2,000 aircraft movements in two minutes, the TMA model will provide the quantitative data needed for the evaluation of alternative flight departure and route structure strategies.

Abbey House, Farnborough, Hants. Farnborough 44321.

● ELECTRONICS

Plated disc stores many pictures

DEVELOPED IN Japan by Oki Electric Industries is a plated magnetic disc and floating magnetic head that could be used in the indexed storage of a large number of still pictures or in recording colour television signals.

Recording densities over twice that of conventional magnetic discs for computer systems are claimed and the company sees applications in large capacity video data banks to file still images as well as in reproduction terminals that would receive pictures over communication links.

The disc has an aluminium alloy substrate to which is applied a cobalt-phosphorus magnetic film 0.1 micron thick, followed by a final outer layer, also 0.1 micron deep, of rhodium or silicon dioxide for protective purposes.

Floating of the magnetic head is decreased to about a third of that of the conventional computer disc with the result, states the company, that a recording density of 520 flux reversals per mil is achieved. More from Japan Trade Centre, 19, Baker Street, London W1M 1AE (01-486 6761).

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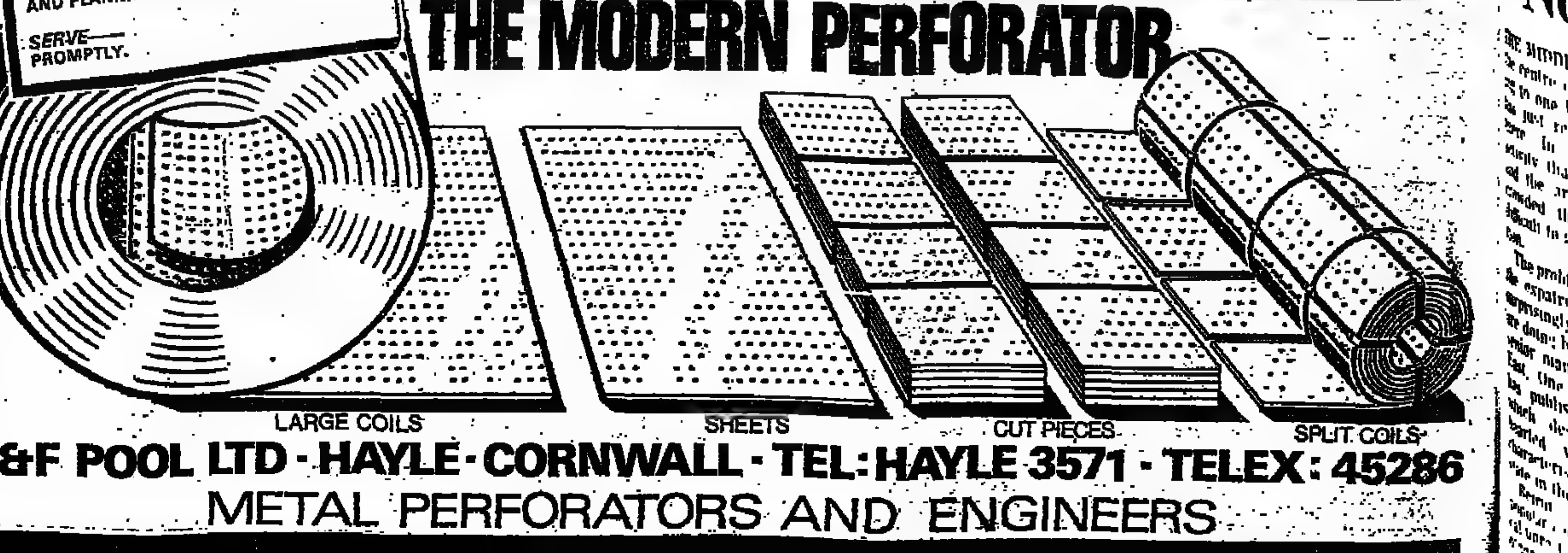

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METAL PERFORATORS AND ENGINEERS

The Executive's World

EDITED BY JAMES ENSOR

As American Motors completes a deal to buy engines from Volkswagen Guy de Jonquieres reports on a company whose motto is

It's harder work but more fun to be small

ON THE desk of Alan Foster, the treasurer of American Motors Corporation, stand a pocket calculator and an electronic video display unit which flashes out the latest foreign exchange quotations, share prices and key interest rates. Mr. Foster uses the machines often, to compute alternative borrowing costs, yields on money market investments and other financial data.

The treasurer of any other Detroit motor company would probably delegate such tasks to one of his subordinates. But Mr. Foster has only 19 people working for him (compared with about 500 in the treasurer's office at General Motors) so he does the sums himself. "Because we're so much smaller than our competitors, we have to work hard to keep up," he says, "but we have a lot of fun."

Among giants

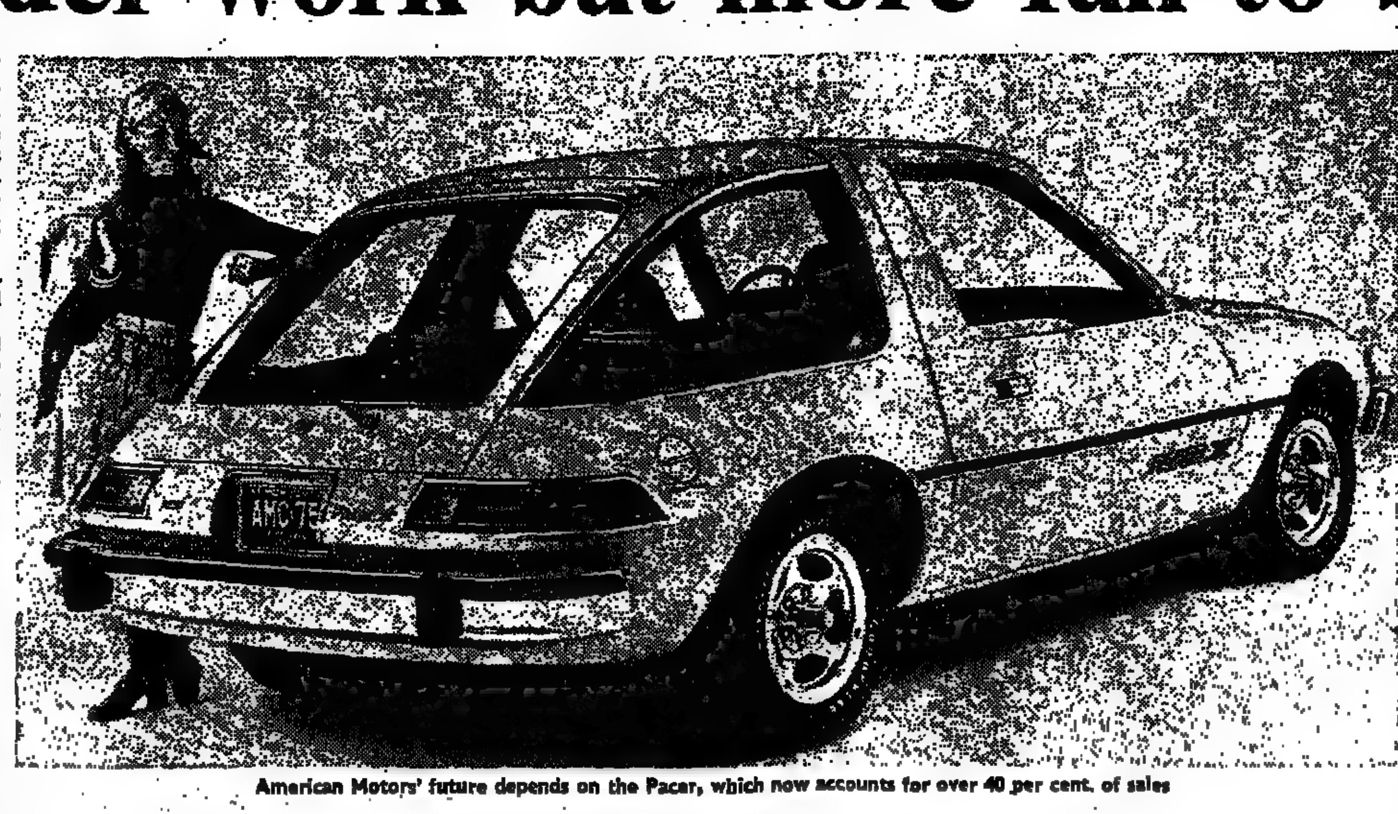
By most objective measures AMC is not all that small. With sales of $2bn. last year, it ranks 93rd in the Fortune "500" and its labour force of 33,000 is the 119th largest among American industrial companies. But among the giants of the world motor industry, it is a mere toddler: it sold only 335,000 cars last year, a fraction more than Volkswagen delivered in the U.S., and its dollar sales are just six per cent. of GM's.

Thus to remain competitive, AMC must cut corners and pare costs to the bone. Sometimes, this expediency can bring rewarding results. Recently, for instance, Mr. Foster was exploring ways to make better use of AMC's cash balances. He found that by investing in some foreign Government securities and covering forward he could obtain a reasonably secure return of 13 per cent., when less adventurous corporate treasurers were putting their money in U.S. Treasury bills yielding only about half as much.

He also tells proundly how, three years ago, he brushed aside the warnings of Wall Street investment bankers and set off alone for Europe in search of new medium-term financing. The outcome of his visit was a $75m. revolving credit agreement with a group of European banks. The terms compared favourably with those available at home, he says, and the Europeans proved at least as sympathetic as the big American money-centre banks.

Doing things differently is a philosophy that carries through to AMC's product lines. As long ago as the 1950s it pioneered the market for small cars years ahead of the bigger companies and established itself a niche there. It has consistently striven to bring out models that are recognisably distinct from those of its competitors—and with rivalry growing in the "sub-compact" market, the need to do so is even greater to-day.

Such innovation entails a major gamble for a company with AMC's limited resources, and the awareness that so much is at stake has bred an informal camaraderie that is alien to the rigid and stratified hierarchies at other motor companies. Senior executives wander into each other's offices in shirt-sleeves and are on first-name terms with many of their subordinates. Perhaps because of this openness the company has sometimes been quicker than its competitors to perceive and react to shifts in the public's taste.



American Motors' future depends on the Pacer, which now accounts for over 40 per cent. of sales

The latest embodiment of AMC's philosophy is the Pacer, its much-publicised egg-shaped small car which hit the U.S. market earlier this year. With a width of 6 ft. 5 in., almost half its length, and more glass area than a Cadillac, the Pacer is an eye-catcher. It has also proved a major sales success in the U.S. so far and is being shipped to Europe in small numbers after being exhibited at the Geneva Motor Show last March.

But despite its unconventional appearance, beneath the skin the Pacer is a classic example of AMC's cheeseparing formula at work. Total development costs ran to only $60m., by contrast with the hundreds of millions of dollars GM spent on its Vega more than five years ago.

Originally, the Pacer was designed to be powered by a rotary engine, but an 11-year-old six-cylinder design was shoehorned in after development of the rotary ran into problems. Transmission was borrowed from existing models, as were numerous other parts. To save money, the front and rear bumpers were made virtually interchangeable. In all, tooling costs amounted to about $5m.

The car's success has taken even AMC's executives by surprise. It currently accounts for more than 40 per cent. of total sales—the biggest share taken by a single model in the company's history—and at current rates more than 90,000 will have been sold between March 1 and September 1. Supply is at a rock-bottom 30 days, and to meet demand AMC plans to step up daily production from 700 to 800 units next autumn. Pacers are manufactured at the company's only assembly plant, in Kenosha, Wisconsin, which is also the largest anywhere in the U.S.

One of the most interesting aspects of the Pacer's success is that it has drawn buyers from all sectors of the market. AMC's surveys show that a good many buyers previously owned luxury cars like Cadillacs and Lincolns. Presumably they were attracted by its interior roominess and easy manoeuvrability in cities.

Whatever else it may be, though, the Pacer is hardly an economy car. Though its base sticker price of $3,300 is fairly reasonable, its large window area makes air-conditioning desirable in warm climates, which in turn means a larger and more expensive engine. In fact, a Pacer equipped with all options costs more than $5,500 delivered, and the average price paid so far is around $4,700—relatively expensive for a car of its size in the U.S.

Optional extras, of course, provide the real gravy in terms of U.S. motor industry profits, and because of this the Pacer has proved something of a breakthrough for AMC. Not only has its traditional concentration on the smaller and less-expensive end of the market limited the company's profitability in the past, but it also suffers from exceptionally heavy reliance on outside suppliers—including other motor companies—for its parts. At times of high inflation AMC has therefore been especially vulnerable to a costs squeeze.

The company expects the Pacer to spearhead a profits recovery which will put it in the black for the second half of this year, following sizeable losses during the past three-quarters. A turnaround is also expected at AM General, its military and commercial vehicle division which took a heavy loss on a large bus contract last year, while the Jeep division is likely to continue turning in a good performance. AMC has had considerable success in selling Jeeps abroad, notably in Iran.

How the Pacer will fare after AMC's bigger competitors launch new, smaller models this year and next is a critical question, however. With a curb weight of 3,000 pounds, it is not notably light on petrol, getting 18 miles per gallon in cities and 24 on highways, according to U.S. Government tests. This compares with a highway mileage of 34 mpg claimed by Ford for the recently introduced economy versions of several of its smaller cars.

Volkswagen

In an important move towards better fuel economy, AMC recently agreed in principle to purchase lightweight four-cylinder engines from Volkswagen, with first deliveries expected to be made in late 1976. Eventually, AMC plans to produce the engines on a line of its own in the U.S., an arrangement which would be much less costly than developing a completely new engine by itself.

Specifics of the planned deal have yet to be disclosed, and it is not clear how AMC will use the engine. There has been speculation that it may be fitted to a completely new model, but some industry sources say they expect it to become AMC's "basic" power unit for several years to come. Given the Pacer's overwhelming sales position in the company's range, this would seem to imply that the car will receive the VW engine at some point.

PENSIONS

Time to consider the position

BY ERIC SHORT

THE SOCIAL Security Pensions Bill has now reached the House of Lords and is likely to get Royal Assent within the next few weeks. So now is an opportune time for management to consider the overall position about pensions before getting down to actual decisions which can only be taken when the regulations under the Act are eventually made known.

The main principle embodied in the Bill is the provision of a second pension for every employed person in the country, on top of the basic State pension. This second pension can be secured from the State or provided by the employer by means of an occupational scheme. The choice between the two is made by the employer. Unfortunately the situation is now so complex that decisions cannot be taken yet.

Although the framework of the State scheme is set out in the Bill, the conditions under which employers will be able to contract out are far from being finalised. Certain conditions are known but there remains a host of regulations to be made under the eventual Act and this process is not likely to be completed before the end of the year.

Not much time

Since the original White Paper laid down that the scheme would be implemented by April 1978, there is not going to be much time for employers to consider the full implications, and even less if the hopes of the Minister of State, Mr. Brian O'Malley, of a 1977 start are realised.

So even if decisions have to be deferred, it would pay employers to start considering the position now even if only to understand the basic framework of the State scheme and how the partnership between State and occupational pensions will be linked. Furthermore, the bipartisan approach of the political parties to the Bill should have ended any lingering hopes of getting any major changes to Government thinking, however desirable this may be.

Management would start by considering the basic questions of which scheme to adopt.

The events of the past two years have highlighted the strengths and the weaknesses of occupational pensions schemes. Their advantage is that they can provide a high level of pensions to employees in a flexible manner. This contrasts with the lower pensions and more rigid format of the State scheme even under the new proposals.

After all, pension benefits are now being regarded as part of the overall remuneration package to employees which should be determined over the bargaining table. Conversely, the level of State pensions is not amenable to bargaining at the shop floor level.

The weakness of occupational schemes lies in the funding requirements. This can turn out to be a drain on company cash-flow resources in times of negative real return on investments. This has been the investment scene over the past two years and has been compared with storing water in a leaky barrel. Company chairmen have generally been pointing out in their annual reports this year this high cost of funding pensions.

It is not inconceivable that the pensions issue could split management. At Board level considerations of whether or not to contract out, the personal director may be putting forward affirmative arguments based on furthering employee relationships, while the finance director may be against the move on the grounds of cost and uncertainty. Conformity will only come when the investment world returns to an era of positive returns.

The pension industry has worked very hard to ensure that the contracting out conditions do not leave employers with an open-ended financial commitment that could bankrupt them if economic conditions really turned down. Most consultants would consider that they have partially succeeded in their endeavours, but many are doubtful whether the concessions will be sufficient to remove the fears of management on this point.

Although at this stage pension fund advisers can only give preliminary advice in the broadest terms, this could still be useful to employers. The proposals have not just changed the rules of the pensions game, they have changed the game itself and no management needs to relearn. Even existing schemes will have to be looked at afresh.

Analysis

The advisers will not be able to give blanket advice on the general principle of contracting out and each scheme will need considerable in-depth analysis before a course of action can be charted.

For instance, the reduction in state contributions available to an employer contracting out was arrived at by the Government Actuary on the basis of an average taken over all age-groups and covering both men and women. Yet the cost of providing the benefits to replace those in the state will differ according to the age and sex of each member. It is not going to be easy to assess the financial costs of contracting out for any one company even if investment conditions return to normal.

Pension consultants are at present differing widely in their views as to the general approach to be taken in dealing with pension provisions as has been highlighted by the recent correspondence in the Financial Times.

Yet the least employers can do is to ensure that they are given a complete picture of all possible courses of action so that they can decide the most appropriate course, which may not be the least expensive.

JOBS IN THE MIDDLE EAST

BY ROY LEVINE

Not for bachelors or worriers

THE MIDDLE East has become the centre of the world according to one U.K. consultant who has just returned from a trip there. In terms of business activity that may well be true and the area is reportedly so crowded that it is sometimes difficult to get hotel accommodation.

The problems are different for the expatriate executive. Not surprisingly, many headhunters are doing brisk business placing senior managers in the Middle East. One of them, Eurosurvey, has published a short report which describes in a light-hearted way what personal characteristics best suit each state in the area.

Beirut, it claims, is the most popular centre despite the political unrest. Communications with other countries in the region and with Europe are good. Furthermore the style of life is preferred by many expatriates.

For Saudi Arabia, expatriates need the ability to endure "calmly and with determination long conversations with men who have Eeternity on their side." Such men, continues the report, need high tolerance in dealing with the problems caused through the absence of trained administrative staff. Worriers, it notes, constitute the great majority of medical repatriation cases.

On balance, the country is "Definitely not recommended for the bachelor. But a well balanced couple, suitably tolerant and open-minded should survive to enjoy the well earned capital savings they will have at the end."

As for Iran, "Europeans who settle well in Iran are compared with good chess players. They will have adapted to a country where decisions, even when reached after numerous and lengthy discussions, can be suddenly and radically revised. Flexibility, self-control and pragmatism are the key qualities."

Eurosurvey makes the obvious point that although the Middle East viewed from London or Paris might seem like a single entity, "The Iranians and Saudis are as different as, say, the English and Italians."

Conditions vary, too, and the report gives some broad hints about rents, schools, tax on motor cars and constraints on fredom for the wife.

A readiness to learn Arabic and or Farsi (in Iran) is highly desirable, it says.

"The flanal word is about the ideal wife. "She is prepared to put up with her husband's trips, leaving her in a strange country and who plays an active part in a social life that will necessarily be somewhat superficial."

Advertisement

DKB'S ECONOMIC JOURNAL

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Corporate financing is gradually slackening as economic reins loosen

There are indications that the Japanese economy at long last has touched bottom as economic reins are being relaxed both fiscally and monetarily. Under the circumstances, corporate financing which at one point not long time ago was heavily squeezed is steadily slackening, if varying in degree from corporation to corporation.

Money supply

As a measure of supply of money to the entire economy, let us take up the Bank of Japan's money supply statistics consisting of M1 (cash currency in circulation and deposit money of major currency supplier institutions) and M2 (M1 plus time deposits).

Under the tight money policy since 1973, rates of increase of both M1 and M2 slowed down remarkably.

From 1971 through the autumn of 1973, the money supply continued to grow at an annual rate of 20-plus per cent against the background of the enormous balance of payments surplus. The gain slowed thereafter because of restraint on money supply by monetary institutions and a temporary contraction of disbursement by the Treasury.

Comparison with the trend of money supply in the preceding two periods of business adjustment shows the rate of increase of money supply during the latest tight money period to be smallest.

Moreover, during the slumps in 1965 and 1971 the rate of increase of money supply was on a gradual upcurve as time went by, whereas during the current recession, the rate of increase kept dwindling until last autumn when it reached the lowest point.

In parallel with such a trend of money supply, the so-called Marshallian k (which indicates the ratio of the outstanding balance of money supply to the nominal GNP) has been on a decline since early 1973. Its fall-off has been particularly sharp since the end of 1973.

While the movement of the Marshallian k should strictly be taken as indicating the level of money supply in macroeconomic terms, its steep drop may well be suggesting a sharp contraction of financial latitude of corporations.

Characteristics

What, then, are the characteristics of corporate financing during the current recession in terms of the "microscopic" corporate statistics?

On the basis of the Ministry of Finance's "Quarterly Corporate Statistics," the following six points may safely be pointed out as such characteristics.

I. The extent of shortage of fixed funds (funds for plant and equipment) was moderate, which in other words means the ratio of internal financing was relatively high. Behind this was a sizable increase in funds set aside as depreciation as a result of a high level of capital investments that prevailed until 1973.

II. Shortage of operating funds, on the other hand, was acute. This was largely attributed to a slow pace of inventory liquidation in the initial stage of the current business adjustment amid rampant price increases.

III. Reflecting the disparity of fund shortages as described above, the proportion of long-term funds in raising of external funds declined, while that of short-term funds rose sharply.

Fund raising through capital increases and long-term borrowings from financial institutions came out lower than in the preceding business adjustment period and fund raising by flotation of bonds only slightly exceeded the level in the preceding business adjustment period.

Such a decline in long-term fund raising, of course, should partly be ascribed to factors on the supplier side.

For example, increase in loans by financial institutions during the current business adjustment period trailed in many cases a-year-before level. This seems to have stemmed from stricter restrictions imposed by the Bank of Japan on lendings by commercial banks, which this time included mutual loan & savings banks and high-ranking credit association, too.

Loans by governmental monetary institutions, however, showed larger increases than in the preceding year because of the Government's policy to relieve smaller enterprises of impact of monetary crunch.

As for fund supply on capital markets, tightening of financial market resulted in a sharp fall of flotation of corporate bond issues. General corporate bond issues, except those by electric power companies, recorded a net decrease from spring through the end of last year.

Also, decline in corporate earnings and other factors brought about depression of the stock market, making it difficult for corporations to raise fund through capital increases.

Moreover, raising of money from foreign sources, like bond issues in overseas markets and impact-loans from foreign banks was restrained throughout last year.

IV. Limited external fund supply forced corporations to eat into liquidity at hand. According to the Bank of Japan's survey, the ratio of cash and deposits to the monthly volume of business (seasonally adjusted; average of key firms) plunged to 0.83 month at the end of last year from the peak of 1.32 months at March-end, 1972. The previous low was 0.95 month recorded at June-end, 1970.

Also, the ratio of securities held over a short period (to sales) went close to a record low of recent years at the end of last year.

V. In the aspect of trade credit, the net credits granted over received shrank—a noteworthy development. Unlike in the preceding two periods of business adjustment, increase in debts on purchase (credits received) was larger than that in credits on sale (granting of credits) this time.

VI. There were notable differences in the nature of financial squeeze as to the size of corporations.

At smaller enterprises (capitalized over Y10 million but less than Y100 million), the ratio of internal financing showed a conspicuous rise but the shortage of operating funds grew acuter during the current period of business adjustment.

The rise in the ratio of internal financing is considered to have stemmed from the decline of capital investments and a relatively high level of internal funds. The shortage of operating funds, on the other hand, seems ascribable to the tendency of excess of granting of credits over receipt in trade credit.

On balance, these trends may safety be taken as indicative of larger financial latitude of smaller enterprises than big ones.

Current state

Following the sharp squeeze from the mid-point through the end of last year, the state of corporate financing began to show changes after the turn of the year.

In addition to the changing trend of supply-demand balance of funds on the call market and the bond market since the end of last year, an unexpectedly fast pace of disbursement by the Treasury has resulted in an overall fund supply-demand balance easier than expected initially.

These developments have led to a gradual slackening of corporate financing and businesses' feeling of financial stringency, has been waning considerably of late.

An important factor behind this is a slowdown of increase in fund demand because of the continuously depressed level of economic activities.

Another factor is the relaxation of the policy of curbing of overall demand, like the Government's stepping up of anti-recession measures through fiscal spendings and the Bank of Japan's easing of money represented by the two discount rate cuts in April and June.

Imbalance

Despite the generally easier corporate financing, the current state is characterized by marked differences in the degree of such development as to industry and size of corporation.

As for industry, many areas, including automobile and electric appliance, are witnessing improvement in financial conditions, but steel, non-ferrous metals, shipbuilding and oil refining are still suffering from stringency of fund supply. Such a difference is considered to reflect differences in the progress of inventory liquidation and level of capital investments.

As for size of firm, fund demand by smaller corporations is calmer than that by big corporations, presumably in reflection of their quickness in adjusting to changes in circumstances during a period of business adjustment.

Business recovery

The economy cannot be expected to make a significant upturn for the time being, and policy-makers are likely to remain basically cautious about overly stimulating business, given the trend of consumer prices.

However, the recovery is expected to become solid in the second half of the current fiscal year, namely after October, along with the recovery of overseas economies and effects of policy steps being taken now.

Given such a prospect, corporate financing is likely to grow further in easiness through the year-end. Demand for fund for inventory financing is destined to decrease, while fund demand for inventory buildup and capital investment is unlikely to show a sharp increase. On the supply side, channels for fund raising, including bond issues, are likely to expand.

It is hardly likely, however, that, given the attitude of the monetary authorities, a state of super relaxation of money comparable to that of the previous period of easy money will emerge. The decline of interest rates will also be limited.

As for outlook for next year and beyond, it may be safe to assume a tendency toward gradual tighteness as a result of rise in fund demand by corporations and possibility of monetary tightening depending on the trend of prices.

TREND OF MONEY SUPPLY (M)
(M is compared with a year-before level)

	1965 slump		1971 slump		Current slump	
	Money supply		Ms	k	Ms	k
Qtr including peak	15.9	0.677	17.5	0.688	18.8	0.795
1 qtr. after	16.3	0.698	16.7	0.700	16.0	0.808
2 qtrs. after	15.7	0.702	18.3	[illegible]	13.1	0.767
3 qtrs. after	16.7	0.713	19.3	0.736	11.5	0.756
4 qtrs. after	17.9	0.729	22.4	0.755	11.2	0.754
5 qtrs. after	—	—	23.9	0.777	11.4	0.791

Note: The period of peak before the current slump is assumed to be the October-December, 1973 quarter, and that of trough to be the January-March, 1975 quarter.

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TUESDAY, JULY 15, 1975

Some news is better

BOTH THE key indicators published yesterday, the trade figures and the wholesale price indices for June, are encouraging. The trade figures may appear disappointing at first sight, since they have caused the current account balance—after an estimated allowance for net invisible earnings—to slip back from surplus into small deficit. But the previous month's surplus was itself a freak, largely because of an artificial bulge in export shipments after the end of industrial action in the docks.

To eliminate the distortions caused by this action and establish a fair basis of comparison, it is best to compare the average outcome over the past four months with that for the previous three: the result is a drop in the visible trade deficit between the two periods from £319m. (seasonally adjusted) to £148m. and a drop in the balance of payments deficit on current account from £191m. to only £27m. When one recollects that the current account deficit for last year amounted to no less than £3.77bn., the extent of the improvement that has already been achieved becomes clear.

Trade outlook

Official forecasters, however, are still expecting a total deficit for the year very much larger than the present trend would seem to suggest. The reasons for their relative pessimism become clearer when the value figures for exports and imports are analysed into their components of volume and average price. So far as imports are concerned, volume has fallen off all round simply because of the lower level of domestic business activity and demand: the average import volume index for March-June of this year was 116.6 against 133.6 in the second quarter of 1974.

Business activity has dropped in many industrialised countries outside the U.K., and the volume of exports would have dropped even more sharply had it not been for a major switch in sales away from developed to developing countries, whose importing capacity has been swollen by higher revenues from oil and other raw materials. After recovering around the turn of the year, in fact, the overall volume of exports seems to have turned down again, and the monthly index during March-June averaged 3½ per cent. lower than during December-February. Earnings have continued to rise because of a continuing increase in average prices charged, but the rise has now—perhaps only momentarily—all but levelled out.

Prices steadier

It is clear that the scope for further export price increases is limited until world trade recovers, while the fall in the import bill is partly due to a once-for-all reduction in the level of stocks. The marked improvement in the trade balance is largely the result of lower business activity and is unlikely to survive an upturn in the domestic business cycle, whatever scope there may be for a further improvement in the months immediately ahead. One aim of the Government's policy is presumably to keep domestic costs under control while at the same time seeking to ensure that capital investment takes place and that capacity is available to meet export demand as soon as world trade picks up.

The rise in costs is now almost entirely due to domestic factors—either higher labour costs or the fall in the value of sterling which has been caused by them. There are so many of these increased costs in the pipeline that prices are likely to continue rising for a time, so that the new ceiling on wage increases will mean a temporary drop in living standards for some consumers. But competition, at least in the private sector, will itself help to keep price rises in check, and the latest news of wholesale prices is good. The index of input prices rose by only ¾ per cent. in June and that mainly because of the weaker exchange rate, while the index of output prices has now risen by less than 1 per cent. for three consecutive months in the case of food manufacturing and two in the case of other manufacturing industry. Excluding the effect of the Budget increases in duty, the index of all home sales rose only half as rapidly during the second as during the first quarter of the year. The outlook for retail prices too, therefore, is now improving.

Angola: an African problem

THE RENEWED fighting in Angola has come only a few weeks after the country's three main parties had agreed to work together in preparation for independence on November 11. That agreement, under Kenyan mediation, was the third of its kind and has proved no more effective than the others. The breakdown creates problems for Africa and for Portugal as well as for the Angolans themselves.

The Portuguese Foreign Minister, Major Melo Antunes, said as he left on an emergency visit to the capital of Luanda on Sunday night that the situation was so serious that he was prepared to resort to any solution including the reintroduction of Portuguese forces or an appeal to international bodies, presumably the UN. The sentiments behind this statement are admirable enough and it is understandable that the Portuguese authorities should wish to smooth the way to independence in their last remaining African territory. In practice, however, either approach would be fraught with difficulty.

Portugal already has so many troubles of its own that it cannot even welcome events in Angola as a useful diversion. There is no guarantee that its troops would be any more successful in fighting for an independent Angola than—up to a year or so ago — they were in fighting against it. Besides, the degree of insubordination in the Portuguese armed forces is now such that there is no certainty that orders would be obeyed. There are still some 24,000 Portuguese forces on the spot. These may have to use force to protect lives, but only in limited and unavoidable operations. Portugal's present problems lie in Portugal and a rededication to an African mission would only make them worse without solving the problem of Angola.

There is never much harm in appealing to the UN, nor much benefit either. If it comes to action not words, the obvious precedent in Africa was the UN intervention in the Congo (now Zaire) in the early 1960s. That intervention was not a happy one: nor did it prevent simultaneous great power rivalry. Perhaps the best lesson learned from it was that the UN should never do it again. More than ten years later, the UN is still not equipped to do better. The point of a police force, even if it is wearing blue berets, is that ultimately it should have the strength to make its presence felt. That means large forces, large financial resources and a mandate to fight at least as hard as the other side.

General Gowon

The alternative is a further resort to mediation, which means primarily mediation by the Africans. It is true that some African leaders can scarcely be considered objective, since they are backing individual Angolan factions. It is also true that the Organisation of African Unity (OAU) is in a state of disarray. Yet the parts of that organisation are often greater than the whole and there are some African leaders, such as General Gowon of Nigeria, who have neither engaged in backing one of the factions, nor yet lent their weight to the attempts to find a solution. President Kenyatta of Kenya has done his best, but lacks General Gowon's direct experience of dealing with a civil war. If the OAU cannot act collectively, it may well be that the Nigerian leader will have to exert his influence in settling a conflict which is damaging to the whole of Africa. In spite of the current spate of African troubles, there are surely other African Presidents ready to support him.

Carborundum to-day starts reviewing response to its planned Spode company sale. **Rhys David reports.**

Investment in fine china to re-shape an industry

IN the prosaic surroundings of Stoke-on-Trent, the U.S. abrasives concern, Carborundum, has found itself in the unlikely role of the strict father who has decided it is time for his rich daughter to leave the family home but who is determined to choose her prospective partner.

The daughter in this case is the famous Spode company founded more than 200 years ago by Josiah Spode. He is the man who perfected English bone china, the speciality on which much of the U.K. pottery industry's fortunes have since been built.

Carborundum has decided to part with Spode nine years after it took it over in what was always an unlikely diversification for one of the world's leading manufacturers of grinding wheels, pollution control equipment, and refractories. Its original aim was to buy its way into a business which would help to counter the effects of the cyclical nature of its other activities. And in some of those Carborundum was already in ceramics, though not the fine china type. Furthermore, the heat technology and materials forming techniques used in other parts of the group have applications to pottery too.

Trevor Humphries

Mr. Paul Thompson, Carborundum's U.K. director with special responsibility for tableware. The Spode bone china Golden Eagle, of which only 25 were made, will retail at £3,600 and is one of the largest pieces of bone china produced.

Known around the world

But the marketing incompatibility has proved substantial, and it is this which has persuaded Carborundum to divest itself of Spode. For in the rest of its activities the U.S. group is selling largely to industrial customers and has never wanted much public exposure. In tableware, by contrast, the company is selling to the very top end of the consumer market, and selling a product known around the world with a history going back two centuries.

According to Mr. Paul Thompson, Carborundum's U.K. director with special responsibilities for tableware, the company knew, too, that there were potential buyers. Over the past two or three years there have been about 10 approaches from interested parties, while the month since the company's willingness to sell was made known has seen about 20 "serious" and a further 20 "frivolous" inquiries. A short-list of half a-dozen prospective purchasers has now been drawn up, and negotiations will begin with these in turn if they have indicated by to-day their continuing interest. If all withdraw from the bidding, Carborundum will move on to the other possible buyers. The company is convinced a purchaser for Spode — whose turnover last year was some £7m. while the return on assets is claimed to be "substantially above the industry average"—will be found at its asking price (thought to be in the £6m. to £8m. range), but, if not, it has undertaken that Spode will not be run down or sold for its assets, which include a 10-acre site in the centre of Stoke adjacent to the town hall.

One problem is that the timing of the sale is, maybe, not quite what the rest of the industry might have wished. For if pottery has not been in the news recently it is perhaps because, unlike most other industries, it has been too busy. Though there are signs that the middle to lower end of the trade is now feeling some fall in demand, any shortening of bone china makers' order books is merely bringing them down to less rather than more than a year. The industry has also been enjoying a boom in demand for informal pottery—the country style dinner sets and oven-to-table ware which now figure so prominently in department stores and specialist china shops.

But while it has had several years of very strong demand, the industry is at present going through a period of transition similar to those experienced by other industries some years ago. Two groups, Royal Doulton Tableware and Wedgwood, each with a turnover of around £36m. last year, account for over half the pottery industry's tableware output. But their emergence has been comparatively

POTTERY SALES BY U.K. MANUFACTURERS (£m.)

	1973	1974
Tableware, ornaments and furniture		
China or porcelain	28.4	37.2
Stoneware	7.2	9.2
Earthenware and other pottery	52.6	66.6
Other sales	4.9	6.4
TOTAL	93.1	119.4

Source: Business Monitor

recent, taking place over the last 10 years. There is also still a sizeable group of companies with annual turnovers in pottery of less than £10m. These include Royal Worcester, based in Worcester with an £8m. turnover in ceramics much of it industrial ceramics for the electronics industry, Alfred Clough (turnover £5.6m.), Staffordshire Potteries (£4.9m.) and Denbyware of Derby (£4.5m.).

In addition there are well over 100 other concerns, some very small, which have various specialities, whether mugs or commemorative ware, cheap or expensive ornaments, or informal or ordinary household ware.

Thus the list of companies from within the industry with the resources to buy Spode is perhaps smaller than might be thought. Though Wedgwood cannot be ruled out as a buyer for the company—whose name, Wedgwood's chairman, Mr. Arthur Bryan, points out, is "highly acceptable"—it, like Royal Doulton, which has already said it is not interested, is engaged in digesting previous acquisitions and in allocating resources for internal programmes of expansion.

At the same time, though there is probably room for a third force to challenge Royal Doulton and Wedgwood, and able to offer a full spread of products, it is hard to see who would put this together at present, though Royal Worcester has admitted its interest in Spode.

But despite the comparative lateness with which rationalisation has been arriving in the pottery industry it is still a field in which Britain is a world leader. In Royal Doulton Tableware (part of the S. Pearson-owned Royal Doulton Group which also has interests in sanitaryware, glass and engineering), and in Wedgwood the U.K. has the two biggest tableware concerns anywhere.

What both of them have been attempting to do is to widen their respective bases so as to compete much more effectively with a wider product range and co-ordinated marketing, both at home and, in particular, in export markets. Some 60 per cent. of the industry's output—a total of £120m. last year—is sold abroad, with about half all exports going to the U.S., a market in which Japan, Germany and other pottery producing countries are also active.

Thus Wedgwood now includes three major bone china producers in its group (Coalport, Crown Staffordshire and Wedgwood itself), companies covering the middle of the market such as Johnson Brothers, and companies involved at the fashion end such as J. G. Meakin, Midwinter, and Mason's Ironstone. It is also in hotelware through Royal Tuscan. On top of this there are the traditional jasper business, with which the company is still chiefly associated, and Wedgwood Glass.

Royal Doulton, which has grown to its present size largely as a result of the merger between the original Doulton Group and Allied English Potteries, also covers the market comprehensively through Royal Minton, Royal Crown Derby and Royal Doulton at the top end, Royal Albert, one of the leading bone china ranges in export markets, Colclough (high volume bone china), Ridgeway (earthenware), Lambeth Stoneware, Steelite and Rocklite (hotelware) and various other ranges. The Royal Doulton glass division includes Webb Corbett.

While the regrouping and rationalisation that is going on is making improvements in design, marketing and service possible, the physical changes also in train are likely to prove as important for the future health of the industry. Radical changes in the way pottery is made, aimed at eliminating some of the manufacturing stages, are, admittedly, still largely at an experimental stage and the breakthrough is still probably some years away. Instead, the industry has been concentrating, and with some success, on parts of the production process where improvements can be made now. Much of its investment is being directed towards automation to reduce handling and towards the reorganisation of factory interiors. At present a piece of fine china may be handled 100 times between the clay and fully decorated stages.

One important reason for seeking economies in this way, as Mr. Richard Bailey, managing director of Royal Doulton Tableware, points out, is the labour shortage in the industry, which means people have to be saved for tasks where they cannot be replaced, such as in decorating. Unemployment in Stoke, little more than 2 per cent., is well below the national average.

On top of this lack of a labour reservoir, wages are also below the national average, even following a recent settlement which will add more than 22 per cent. to costs, so that there is always the danger of a drift away from the industry.

There is also a need to increase productivity in order to raise the industry's profit level which, historically, has been far from spectacular and subject to cyclical downturn. Average annual output per head is probably no more than £4,000-£5,000, a level which has made it difficult to finance an adequate rate of investment.

It is fortunate that the vast bulk of the clay used by the industry is obtained in Britain—mostly from Cornwall and Dorset—but it has recently become necessary to import some stone from Scandinavia. Bones—representing nearly 50 per cent. of the material used in bone china — are obtained from a variety of sources, some overseas, for crushing, while decorative materials, which include gold and silver, are, of course severely affected by the declining value of the pound. New long tunnel ovens installed by the industry in recent years to replace the old bottle kilns use gas, the cost of which has also risen.

Expansion plans

Against this background the overall level of investment over the next three or four years is put by the British Ceramic Manufacturers' Federation at £18m.-£20m., with the two majors, understandably, accounting for much of this. Wedgwood's Mr. Bryan recently reported that a further round of expansion at the main factory at Barlaston is about to start at a cost of £2.5m. The total of outstanding capital expenditure approved by the group at present comes to £6.4m.

A large addition to the group's Johnson Imperial factory was brought into production last year, an extension has come on stream at Crown Staffordshire, and another is due to open at Coalport this autumn.

Royal Doulton has integrated the marketing operations of group companies in the U.S., Canada, and on the Continent and has now set in motion a major rationalisation of its manufacturing facilities with an investment programme of some £6m.

Royal Worcester, which is planning to spend more than £1m. in its ceramics and electronics activities, is putting in new fast-fire kilns at Worcester and is also re-organising its production facilities.

The pattern that has emerged, therefore, is one in which the two majors account for a large proportion of the industry's output and seem likely to grow as small businesses, unable to keep pace with modernisation, disappear. As in any industry, however, there seems likely to be a continuing role for the entrepreneur who can spot a market gap.

MEN AND MATTERS

Why the brokers' clock stopped

The Guildhall Clock Museum is to be reopened by the Lord Mayor of London, Sir Murray Fox, to-morrow. The 700 exhibits, reckoned of world importance in the history of precision timekeeping, have been out of sight since last summer, while being moved from the old Guildhall Library to the new west wing. They have Mary Queen of Scots' skull watch, an iron chamber clock dating from 1450, a hydrogen clock and the wrist watch worn by Sir Edmund Hillary on Everest.

This is all very well, but what about arguably the City's most famous clock, the one in Throgmorton Street outside the Stock Exchange? People have been arranging to meet there for more than 80 years. The phrase "Under the Clock" was understood widely enough to be used for a famous newspaper City column. More Stock Market information, true and false, must have been passed on under this timepiece, I would guess, than on any other patch of pavement in the City. And what has happened now? The clock has stopped.

It has been reading 12 o'clock on the West face and two minutes past on the East for several months. The level of Stock Exchange turnover has been depressing enough for the brokers without this tangible reminder of time standing still.

Responsibility lies with Warnford Investments, a quoted property group whose fortunes were founded on owning Warnford Court, from the side of which hangs the clock. But the company says it has not let the clock stop willingly: the problem is getting in tenders to repair it.

"KEEP THOSE PRICES DOWN . . . the NUR is watching you!"

Frederick Edwards, who has been manager at Warnford Court for 50 years and used to wind the clock every Monday morning, claims that demolition is the problem. The shakes and bangs of buildings being knocked down around Throgmorton Street for years—particularly the dynamite used to demolish the old Stock Exchange—disturbed the clock which had been functioning well since installed in 1892 as a memorial to a stockbroker called, Edwards thinks, George Parmenter-Brown (the initials are included on both sides).

So three years ago the movement was completely reconditioned, and now what has stopped the clock is that both faces are buckled. Warnford says that until the clock repairers it has contacted tender for the work, time must continue to stand still in Throgmorton Street.

Worrying about the Minister

There are not many current issues that the National Union of Railwaymen have not become involved in. Having wrested nearly all it wanted under the recent pay settlement (a story complete with the usual cliff-hanging strike scene), the NUR is now offering warnings on the latest Government package and on what terms it will be acceptable. There is even an excursion into the desolate property market: the NUR is negotiating, like any Arab oil sheik, to buy Frant Place, a Sussex mansion set up in style amid 45 acres. It wants it, incidentally, for a residential training centre.

Another issue cropped up on the fringes of the main debates at the union's conference in Jersey yesterday: the status and identity of the Minister of Transport. Once a full Ministry in its own right, Transport now comes under the Department of the Environment. Sidney Weighell, the NUR's General Secretary, called for the Transport post to carry with it a guarantee of a seat in Cabinet.

Weighell thought that Judith Hart's rejection of the ministry in the latest Government reshuffle was a sign of its lowly status. Without wishing to offend the present incumbent, Dr. John Gilbert, Weighell said that he had never heard of him before he was appointed. (Gilbert's rise has, in fact, been swift: he entered the Commons as MP for Dudley in 1970, became a front bench shadow Treasury spokesman, and then became Financial Secretary to the Treasury after Labour's February 1974 win.)

Weighell's own favourite is someone closely concerned with the 1968 Transport Act, and since then, well acquainted with its failings, in the general secretary's view. There is, however, no sign that BR chairman Richard Marsh shares any union enthusiasm for him to return to politics.

One game played well

The Australian Governor-General Sir John Kerr and Lady Kerr have been making a leisurely visit to the Northern Territory for the past few days while Canberra suffers the worst of its mid-winter temperatures. Yesterday they went from a famous cattle station called Brunette Downs to Katherine for an official lunch, while members of the Labor Government met in the capital to find themselves a new Deputy Prime Minister and a new member of the Cabinet.

A statement from Government House in Canberra added the news that "In the evening Their Excellencies arrived in Canberra from Katherine" and that His Excellency had duly received the Honourable Prime Minister and later administered "the requisite oaths of office" to the Honourable J. M. Berinson as Minister for Environment (the post Dr. Cairns was sacked from). "Afterwards His Excellency presided at a meeting of the Federal Executive," then Their Excellencies returned to Katherine to continue their official tour.

In other words, Sir John Kerr and Lady Kerr travelled 1,700 miles by RAAF jet to keep the machinery of government oiled, the assurance being added, though not in such official language, that at the federal executive meeting no authorisations for $A4bn. loans were signed.

We may not be able to play them at cricket. But at least our institutions still lend some decorum to their politics.

Observer

A new use for Covent Garden Flower Market?

This market has been saved from demolition and, whilst it is an unique and historic listed building, the GLC would like to put it to good use.

We will, of course, consider straightforward commercial offers for its 30,000 square feet but we should also like to hear from people who can suggest imaginative uses that would suit the character of the building and benefit the community. The Council is represented by the Covent Garden Team at the address below. Please contact in the first instance:

Peter Leigh on 836 0181
1-4 King Street London WC2E 8HN
GLC

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SOCIETY TO-DAY

BY JOE ROGALY

Public spending versus private choice

THE THREAT to the individual's freedom to spend his income in a manner of his own choosing is now greater than ever before, war emergencies apart. This is the most depressing possible consequence of the Government's attempt to reduce real disposable incomes while, as yet, making no convincing attempt to cut or even control public expenditure. Carried to extremes the result could be a cure that is worse than the disease: the wartime suspension of some democratic rights is, by common agreement, only "for the duration," but can we be sure that a further period of growth and consolidation for our stripling corporate state is reversible?

Cobblestone

It is important to be clear about this. Many of those who follow the Austrian-born economist F. A. Hayek and his school fear that just about every pound of public expenditure is another cobblestone on *The Road to Serfdom**. The archetypal market economist might acknowledge that spending on defence, the police, street lighting and possibly even the collection of rubbish is best financed through taxation and managed by public servants—but he is quite likely to stop just about there. The degree to which any one of these true believers will go any further varies, but it is in the nature of the ideology to question the existence of the National Health Service and to proclaim with a sense of bold certainty that the more private finance there is in education the better.

In my view this is an anachronistic approach to modern society's problems. It is over-simple, and it could be damaging. But to say as much is not to accept the opposite, Socialist, notion, which begins and ends with the proposition that private spending is inherently suspect. It is plain that most of our health care and education must be publicly-financed, because there is no moral case for rationing these vital services by price. Those who speak about the individual's right to spend his income as he pleases should acknowledge—as I do—that this means that the quantity of "freedom" at the command of any particular person or family is directly related to the amount he can earn, or has inherited. Because of this, most people living in a mixed economy have a rough idea of what should be left to the egalitarian, public sector and how much can be allocated to private spending decisions. The trade-off is between unequal individual freedom and "fair" (though in practice rarely equal) allocation by officials.

One consequence of the Government's new economic policy (or old economic policy in a new and ingenious disguise) is that this trade-off is no longer a matter of academic debate: it has become a matter of immediate urgency. Until last week the assumption under which our policy was "managed" was that the real incomes of most people would be kept more or less stable. Since Government expenditure was rising rapidly (four times as fast as private spending in "real terms" according to the January White Paper) this in itself meant a steady encroachment of the State.

What we have now is a policy deliberately aimed at cutting private spending—while still leaving the State expenditure

Trevor Humphries

British holidaymakers in Spain: private choice is a right of the average worker; greater public spending could diminish this.

balloon expanding at its old, apparently unstoppable, pace. You do not have to be a Hayekian or even a moderate Conservative to see that this could rocket us along *the Road to Serfdom* with the jerky forward thrust of a speeded-up piece of cinema film.

The meaning in everyday terms could not be more clear. Every new industry nationalised means further additions to the 7m.-strong public-authority payroll, with fewer private choices and more choices by officials. The nationalisation of development land will turn local authorities into estate agents, an idea whose only mitigating facet is that it is so patently ludicrous that everyone knows that the whole mad scheme must quickly collapse. Many local authorities are still harbouring plans for public expenditure that inevitably diminish the area of personal freedom: one London borough, not satisfied with closing its swimming-baths to children who attend private schools, is now closing its council-house accommodation to dentists who treat private patients.

Nor is the effect confined to the rich and the privileged. Lower wages (and an increasing "social wage") for the average worker means less choice of food, place of holiday, kind of housing, or use of transport for that same worker. The more the Government spends for him the less there is for him to spend. The well-off, as anyone on the Left can chant, will take care of themselves: it is the worker, including the not-so-affluent worker, whose personal freedom to choose is in danger of being eroded.

It is for this reason that I am surprised at the apparent pusillanimousness of Mrs. Margaret Thatcher. A spirited leader, filled with the conviction that such a course of events is unacceptable, would fight it tooth and nail, and never mind Parliamentary devices like abstaining on such-and-such a vote and "reasoned amendments," all of which are hard for many people to understand. If our new supposedly Right-wing Conservatives will not take political risks in the interest of preserving individual choice, who will?

The fundamental objection to everything I have said so far is of course that it is premature. Wait and see, supporters of the new policy might say. The public expenditure control is on its way. The answer to this is: I certainly hope so. The most valuable part of all the hurrying and scurrying in Whitehall over the past week or so has been the self-imposed crash course in proper financial control, or cash limits to spending, that has come about as a result of the Chancellor's public acknowledgement of the need to turn away from the universal use of "funny money."

Inside the Government, the argument runs something like this: about ten days ago the Treasury demanded blanket cuts, old-style. The Left-inclined ministers resisted, arguing that all cuts must mean a "reduction in services." The middle way being sought by some officials is an application of cash controls mainly on the wages part of the bill, leaving much public spending on goods to be accounted for in "real terms." The idea is that, since prices are likely to rise fairly rapidly for some time yet, ceilings on purchases would be seriously damaging; control of spending on wages, on the other hand, would eventually have its effect on prices and hence on the cost of purchases.

Miners' wages

The difficulty about placing too much faith in this process becomes clear from a couple of examples. To take the hottest first, there is the approach to miners' wages. Just about the most fashionable saying in town over the past couple of years is: "You have to buy off the miners." To its credit, this Government is trying every possible political manoeuvre in an effort to avoid a winter defeat for its new economic policy. But what happens if the miners insist on substantially more than the pre-ordained £6 a week?

The answer that is currently on offer—and it is there in Paragraph 19 of last Friday's White Paper, *The Attack on Inflation* (Cmnd 6151)—is that "excessive pay settlements will affect employment in the industry concerned." This must mean no subsidy for coal, and no higher price for coal, to meet the cost of buying off the miners one more time. Spelling it out even more painfully, it must mean that the two Ministers most directly concerned—and these happen to be Mr. Michael Foot and Mr. Anthony Wedgwood Benn—would have to tell the National Coal Board: "Close your loss-making pits in Scotland and South Wales and make so many thousand miners redundant." You may believe that this would happen and if I spent half a night puffing opium I might believe it would happen—but only if the miners believe it will, will it be avoided.

The second example concerns local authorities. The people inside the Government who are involved with this particular part of the White Paper believe that it is so tough as to be almost fierce. Rate support grant, which accounts for a large part of the spending, will not meet excessive wage settlements. Control over local authority borrowing is held in reserve as a threatened weapon.

Perhaps. What remains to be seen is the extent to which these controls affect local authority spending on goods. Determined councils can still spend more by pushing up rates, although next year's elections could bring swift retribution. A Bill to allow for direct control over the amount by which rates might be increased by individual councils is there in blueprint, but it was not mentioned last week on the technical ground that the complexities of rate support grant might mean that some councils could be penalised by such a Bill even if they avoided any increase in spending in "real terms." The result may be further diminution of many working people's spending power as a result of large rises in rates next year.

Cash control

It is because of all this that in my view the mass rubbing of official noses in the meaning of proper cash control is arguably the most valuable part of what is happening right now. Cash control is not the same as spending cuts: it simply means that over a year departmental, local and regional managers must come up against the need to choose between different policies in order to keep total spending below a given ceiling. Inflation makes this difficult: avoiding the difficulty makes inflation many times worse.

Even if the "voluntary wage control" side of last week's policy turns out to be patchy in its application the package will have historic importance if a single sentence in it is made to come true—"Work is in hand to bring about the extensive use of cash limits in 1976-77." Intelligent Left-wing Socialists will do their utmost to prevent this from succeeding; Social Democrats, who have faith in both parts of the mix in the mixed economy, will strain every nerve to make certain that the message is understood, and properly applied.

* *The Road to Serfdom. University of Chicago Press and Routledge and Kegan Paul, 1944.*

Letters to the Editor

Pressure from unions

From Mr. J. Orchard.

Sir,—T. G. Burns (July 7) qualifies his position as a past president of National Union of Bank Employees yet he feels the TUC had some justification for its action in expelling NUBE over the Industrial Relations Act—shame on him.

He accuses me of exercising my responsibility from a completely isolated position and without benefit of knowledge. My reply to this is that although like any other member, I am not blessed with first hand knowledge from NUBE, a sad reflection I feel, the information I glean from the columns of the Financial Times and other sources is most reliable indeed and my exercise has proved that isolation is not a consideration.

His point about my being presumptuous to state that reaffiliation fees to the extent of £30,000 must be paid by the Union if it returns to the TUC can be ruled out quite simply by the fact that all other unions who have rejoined after being expelled have been penalised already, so it follows that NUBE will be no exception. Indeed, I understand it will be informed it must pay this outstanding sum.

Whether or not Mr. Burns agrees that the TUC is too political and biased to serve a union with members of all political persuasions is difficult to ascertain, as this point was not mentioned in his letter but I am sure he will be interested to know that many members agree with me, judging from the telephone calls received.

Finally, a comment on a point taken from Mr. C. J. G. Milligan's letter (July 7), what possibility can there be of NUBE or other similar unions exerting a moderating influence on the big battalions when we remember the fate of the last Conservative Government.

Joseph S. Orchard.
160, Maltings Lane,
Witham Essex.

Architects and thieves

From Mr. J. Savage.

Sir,—The appearance of Sir Thomas Bennett's reply (July 10) to Sydney Paulden's article "Can Architects Cope Alone?" (July 7), suggests that the service provided by the architect is so comprehensive that there is no necessity for consulting other specialists. We must join forces with Sydney Paulden.

We have come across frequent examples where buildings have been put up without regard to the effect ambient crime conditions must have on the operation. Disregarding the narrow threat of burglary, which is frequently catered for by needlessly expensive post-construction alarm installations, we still find cases where a high incidence of loss arising from either employee dishonesty or negligence, vandalism, or visitor theft, can be attributed, certainly in part, to lack of care in designing an appropriate layout. Supermarkets in high crime areas, for example, are often designed as for the more tranquil zones of shrinking Arcadia, while some shopping precinct plans leave the drawing board as if vandalism had never been invented.

No doubt the conscientious architect will include security on his list of items for discussion with the chairman or planning committee of the client company, but we question whether there are many architects qualified to discuss analysis which might cover present and predicted incidence of crime, and the vulnerability of high cost equipment.

Are there many architects competent to comment on industrial espionage and the steps that can be taken to reduce its possible effect in sensitive areas at the planning stage? We have met very few who are.

We think there is a need for bringing loss prevention specialists into the design team at the earliest planning stage of a project. As avoidable losses corrode narrow profit margins, architects might be more willing to accept that they could do with a little help from their friends.

John Savage.
Argen Information Services,
P.O. Box 136, S.W.1.

When an MP's year begins

From Mr. J. Smith

Sir,—I have been reading the correspondence on MPs' pay with some interest.

One additional point which might be made is that although they are complaining they have had no rise for 3½ years, it is only last year that they stood for election. If they were dissatisfied with the pay at that time, logically they should have refused to stand. Having done so, however, and become elected, I do not see that their claim "no pay for 3½ years" would stand up in any circumstances.

Perhaps the right course at the next hustings is for the public to ask each candidate if he is content with the pay offered, before considering whom to vote for.

J. P. Smith.
1, Throgmorton Avenue, E.C.2.

Take the medicine

From Mr R. Dalton

Sir,—I feel bound to suggest that David Watt in his article (July 4) about MPs' salaries has overlooked at least two important points.

First, much of the increased work load is self generated inasmuch as it is a direct consequence of increased Government intervention. Those of us who dislike this collectivist trend are naturally averse to providing financial inducements for its continuation.

Second, and more important, since one of the principal duties of government is to protect the currency, is it not right that MPs should suffer the consequences of their failure?

Richard Dalton.
Asheridge Cottage,
Asheridge, Chesham, Bucks.

Goodness and malignity

From Dr. Piers Brendon.

Sir,—I am reluctant to take issue with C. P. Snow on the subject of Fr. Rolfe and his paranoia for two reasons. First, I am grateful to him for his extremely kind and full review of my book *Hawker of Morwenstow* (July 10) and, second, his wife, Pamela Hansford Johnson, is an expert on the subject.

Lord Snow, however, does ask, with understandable scepticism, whether there is any evidence for the "great goodness" which I said Rolfe was capable of showing and I feel bound to reply.

It is true that Rolfe's "great malignity" was a much more obvious characteristic, but he did occasionally perform acts of altruism and to ignore them would be to confirm to his shame that the world was united in hostile conspiracy against him. Rolfe's latest biographer speaks of his "unlimited generosity" and gives a number of examples of it (D. Weeks, *Corvo*, pp. 361 and 365). And A. J. A. Symons, in *The Quest for Corvo*, also notices various "queer kindnesses," cites well-informed testimony to Rolfe's impeccable "moral character" and gives instances of his unselfishness—such as his "energetic" help in the relief measures taken for the victims of the 1908 Messina earthquake (pp. 255, 45 and 220).

Lord Snow may be right that my comparison between Rolfe and Hawker was "slightly over-ingenious," but he acknowledges that the resemblances between these two fascinating paranoid personalities are "striking" and I submit, with respect, that they extend to goodness as well as malignity.

Piers Brendon.
19, Chedworth Street, Cambridge.

Unwanted shower

From Mr. D. Payne.

Sir,—One wonders whether senior management in larger companies—or even in small ones—ever looks at print and publicity expenditure with an analytical eye.

The cause of this wonderment is the recent receipt of no fewer than five copies of a beautifully produced glossy promotional booklet on a subject that has not the remotest relevance to my company's operations. Two copies were addressed by name to ex-members of our senior staff who left years ago and one was addressed to a name that even the oldest inhabitant failed to recognise. They were posted from Germany (presumably because they were printed there) at the equivalent of 11p each.

This is an extreme example of an almost daily occurrence. Expensively produced, wrongly addressed, ill-aimed literature, frequently in triplicate, clutters our waste-paper baskets and, unfortunately, the scrap paper market is at a low ebb at the moment! Industry could save itself significant sums of money in paper, printing, direct mail agency fees and postage if costly literature was only properly aimed in limited quantities at potentially interested targets.

The incessant shower that my company is subjected to must be repeated thousands of times throughout the country and no firm to-day can afford to use this scatter-gun technique, if it is seriously intent on cutting costs and improving its cash flow. It would be invidious to pick out the famous names in industry who indulge in this wasteful activity, but if the cap fits . . .

D. K. Payne.
The Old Post Office,
High Easter,
Chelmsford.

Attacks on capital

From Mr. J. Talbot.

Sir,—Mr. Chown's otherwise excellent article on the continuing attack on capital (July 12) is in my view marred by the weakness of the two grounds he cites in advocating that the capital value of pension rights should be included in any wealth tax.

The first such ground is that this would be "equitable between the employee and the self-employed with his assets in his own business." Why? The self-employed has an income from that business and can devote part of it to paying premium for a retirement annuity. His position is then equated approximately to that of the employee whose immediate earnings are reduced as a result of his membership of a pension fund. Both the employee and the self-employed are forgoing part of their present earnings in return for the right to future pensions.

The second ground appears to be summarised in Mr. Chown's concluding sentence—"The best way to remove the threat of a wealth tax is to ensure that it is imposed on those who will be responsible for collecting it." To me, this seems quite frivolous. Our civil servants with their generous pension rights may help in drafting new tax legislation but they do not pass it. If they did, a change of Government would have no effect in such matters.

I happen to believe strongly that pension rights should be excluded from any wealth tax, but I could respect the opposite view if I could hear sound arguments in support of it.

J. E. Talbot.
Willow Corner,
Enton Green,
Godalming, Surrey.

Ringing up sales

From The Sales Manager,
Continental Europe,
Aluminium Foils.

Sir,—Exporters from the U.K. are frequently being exhorted to export as though this were simple.

The greatest frustration we suffer seems to be that during normal business hours it is completely impossible to obtain a free line to any country within the Common Market. In most cases a disembodied voice breaks in to inform us that lines to the Continent are engaged and that we should try later.

Surely the Government's attention should be drawn to this unnecessary complication to exporting and that the Post Office should be instructed to provide sufficient lines for normal business to be conducted without delay. I am sure that our Continental competitors do not find such problems in ringing their customers who are already luckily on the Continent.

Christopher Durant.
Norfolk House,
St. James's Square, S.W.1.

Mercia, Cantium & Charlemagne

From Mr. J. Richards.

Sir,—Mr W. C. R. Whalley (Sovereigns, July 12) is right; to give unqualified legal tender status to paper notes is to behave like a nation of fools. Never before August 6, 1914, in the whole recorded history of this once well-governed kingdom and its predecessors in Mercia and Cantium, going back as far as the days when Charlemagne's great great grandfather—Canon Pepin of Landen—lived across the waters, were paper currency notes granted unqualified legal tender status.

John F. Richards.
Woolhams Bank,
73, Harestone Hill,
Caterham, Surrey.

No tit for tat

From Mr. P. Chapman.

Sir,—In the item by John Bourne on July 10 it was said that the suggestion of the CBI setting up its own insurance scheme to help businesses standing up to strikers, to be backed by a guarantee of Government funds, would be politically unpalatable to Labour MPs, who would regard it as "paying employers to break strikes."

How one-sided the fight against inflationary pressures becomes!

No doubt the same MPs would be horrified at the suggestion of withdrawing Social Security benefits from families of strikers.

P. F. Chapman.
Mellowstones,
Higher Burton,
East Coker, Yeovil, Somerset.

To-day's Events

GENERAL

Mrs. Margaret Thatcher, Leader of the Opposition, attends London Press Club Dinner.

Mr. James Callaghan, Foreign Secretary, returns from official visit to Poland.

Milk Marketing Board annual meeting, Cafe Royal, London.

White Fish Authority annual report published.

Office of Fair Trading report on Bargain Offer Claims published.

Royal Institution of Chartered Surveyors' annual conference begins Edinburgh University.

PARLIAMENTARY BUSINESS

House of Commons Debate on the Conference on Security and Co-operation in Europe, followed by a debate on the Post Office; consideration of Lords Amendments to the Coal Industry Bill; Remaining stages of the Safety of Sports Grounds Bill (Lords).

House of Lords: Scottish Transport Group (Port Ellen Harbour) Order, Confirmation Bill, third reading: Sex Discrimination Bill, committee: Maximum number of Judges Order; Building Societies (Special Advances) Order 1975; Appropriation (No. 2) (Northern Ireland) 1975.

COMPANY RESULTS

Howden Group (full year).

Wilkinson Match (full year).

COMPANY MEETINGS

Charter Consolidated, Winchester House, E.C., 12.

Fashion and General Investment, Winchester House, E.C., 12.

NET, Netil House, 1, Westgate Street, E., 12.

Time Products, Connaught Rooms, W.C., 12.

Whinsparken Investments, 3, London Wall Buildings, E.C., 12.

We take pleasure in announcing that the incorporation of the partnership of Pierson, Heldring & Pierson became effective June 30, 1975.

Pierson, Heldring & Pierson N.V.

Board of Managing Directors

A. Jiskoot, Chairman
H. D. Pierson, Deputy Chairman
A. Vermaak
L. H. Wurfbain Jr.
J. W. Ort

Chief General Managers

A. M. de Vries
J. G. Muntinga
J. H. Warmelink
J. J. Reijntjes
J. Kleiterp

General Managers

E. F. Blase
J. A. Fentener van Vlissingen
B. van Marken

Pierson, Heldring & Pierson N.V. will carry on the international investment banking, commercial banking and portfolio management activities for which the partnership has been well-known throughout the past 100 years.

Pierson, Heldring & Pierson N.V.

Amsterdam, July 1975

COMPANY NEWS + COMMENT

£0.5m. growth for RIT—raises dividend

REVENUE before tax of Rothschild Investment Trust advanced from £2,521,000 to £3,022,000 for the year ended March 31, 1975. Tax was up from £902,000 to £1,303,000, leaving £1,719,000, against £1,619,000.

Stated earnings per £1 share are up from 12.8p to 13.9p basic or from 13.5p to 14p fully diluted. A final dividend of 10.5p gross or 6.825p net (6.7p) raises the gross total from 14p to 14.5p.

Pre-conversion, net asset value per share declined from 460p to 450p and after, it rose from 443p to 445p.

See Lex

INDEX TO COMPANY HIGHLIGHTS

Hampson earns and pays more

THE RECORD profit forecast for the year to March 31, 1975 by Hampson Industries at midway—when an increase from £130,154 to £211,026 was reported—turns out to be £447,461 compared with £310,287.

Earnings per 5p share are shown to have risen from 1.24p to 1.81p and the dividend is raised from 0.5p to 0.75p with a final of 0.45p net. Treasury consent to the dividend increase has been indicated on recovery grounds. A one-for-five scrip issue is also proposed.

	1974-5 £	1973-4 £
Turnover	8,014,658	6,096,732
Pre-tax profit	447,461	310,287
Tax	228,939	160,781
Net profit	218,522	149,506
Minorities	—	2,130

● comment

Despite a halving of its pre-tax growth rate in the second six months, Hampson Industries has emerged 44 per cent. ahead on a 32 per cent. increase in turnover. On the secondary metals side, which has accounted for about 40 per cent. of profits, a conservative view of copper and aluminium stocks has apparently been taken, but its relative contribution from now on is expected to fall to the benefit of precision specialist engineering and factory cleaning and maintenance. A maintained level of profits is anticipated overall and at 8p the yield is 15.3 per cent., covered 2.4 times in a narrowly traded market.

AC Cars drop £10,000 in first half

A drop in pre-tax profit of £10,000 to £51,000 for the six months to March 31, 1975 is announced by A.C. Cars and the directors anticipate that the level of profit will be maintained during the second half.

For the full year to September 30, 1974 pre-tax profit was £123,291 on which dividends totalling 0.88p net were paid.

Stated earnings for the first half are down from 1.5p to 1.2p per 5p share and the interim dividend is being held at 0.28p.

Turnover increased by reason of the continuing price inflation but increasing costs of materials and labour reduced profit margins, the directors explain.

The company makes high performance cars and vehicles for the disabled.

	Half year 1974-75 £	1973-74 £
Turnover	1,009,000	786,900
Pre-tax profit	51,000	61,000
Tax	27,000	31,000
Net profit	24,000	30,500
Dividends	5,600	5,600

Downturn at Y. J. Lovell

ON CURRENT information the directors of Y. J. Lovell (Holdings) expect current year profits to exceed £940,000, which would compare with £1.26m. for 1973-74.

In the first six months ended March 31, 1975 profits show a reduction from £730,000 to £470,000—reflecting a fall from £317,000 to £260,000 on the construction side, and a drop from £433,000 to £210,000 in the timber division.

The directors say that these results are very much as anticipated, with the construction and development divisions showing an improvement over the last six months of the previous year, and the timber division experiencing a decline to a level which, although not comparable with recent exceptional years, is still better than the average for the trade.

The volume of construction work in hand is still considerable; house sales, particularly in the lower price brackets, are buoyant, but escalating costs are reducing margins, they report.

The year's outcome is not easy to predict because of the difficulty in establishing, even in the short term, the dates by which certain contract settlements will be finalised. On the information at present available, however, they anticipate that second half profits will exceed those of the first six months.

Turnover in the first half improved from £17.09m. to £18.92m.; construction, etc. £15.9m. (£13.75m.) and timber £3.02m. (£3.29m.).

● comment

Although Y. J. Lovell's first-half profits are 37.5 per cent. lower before tax, comparison with the second half of last year suggests that the figures contain some element of recovery. On that basis timber profits, which are being compared with an exceptionally inflated period, would still be significantly lower (by 49 per cent.) but construction profits would be up by more than 150 per cent. The group has avoided any stock losses in the first half of the year by keeping stocks low and this has also enabled it to reduce its bank borrowings—£2.15m. in the last balance sheet—very considerably. The timber slump now seems to have bottomed out and prices appear to be stabilising, so given that the volume of house sales is apparently beginning to pick up, full-year profits could once again break through £1m. The shares at 35p are yielding a historic 8.4 per cent.

Crown House slips £111,000

IN SPITE of hopes that results would not be less than the previous year, pre-tax profit of Crown House dropped slightly from £1.74m. to £1.63m. for the year to March 31, 1975, after £736,000, against £621,000 in the first half.

Earnings per 10p share are shown to be down from 2.9p to 2.7p and a final dividend of 1.223p net raises the total from 1.647p to 1.748p, the maximum allowed.

A percentage split of profit excluding associates — £1.69m. (£1.8m.)—shows: electrical and mechanical services 72.9 (47.9), glassware 25.9 (29.2), property investment and development 7.3 loss (17.7 profit), staff services 5.5 (5.2).

Improvement was achieved in engineering contracting services, and a high level of orders received should ensure that this trend continues, the directors say.

In property investment and development, the loss for the year was due partly to the fact that no developments were completed in that year and also to the writing down of development projects to a "realistic" figure. Four developments are due for completion in 1975/76 and an improved result is expected, they add.

Of the tax charge, £879,801 is deferred primarily because of stock appreciation relief.

	1974/5 £000	1973/4 £000
Turnover	57,236	47,137
Profit before tax	1,633	1,744
Group	1,653	1,784
Associated loss	[illegible]	[illegible]
Tax	940	963
Net profit	693	781
Minorities	1	37
Extraord. credit	*191	†3
Attributable	883	741
Dividends	437	438

* Debit. * Reflects surplus on disposals of property less final cost incurred in closure of Supervents and E. C. Pipelines.

● comment

Margins on the Crown House glassware side fell another two points last year and, at 5.5 per cent., completed a near-30 per cent. decline in four years; price competition has increased with world capacity. In addition, the two diversification moves, property development for asset values and employment agency interests for cash flow, suffered either write-offs or shortfalls. But profits on the electrical and mechanical services side improved by 43 per cent., while margins rose by over a tenth to 2.6 per cent. The order-book, too, is well ahead here and a 50-50 split between government and industrial business should ensure a fair degree of anti-cyclical resilience. Confident noises about 1975-6 developments in property emphasise the solid earnings profile, and a yield of 18 per cent. at 16p includes reward as well as risk.

Arlington maintains profit

SECOND HALF profits of Arlington Motor Holdings have slipped from £401,000 to £343,000, but the total for the year ended March 31, 1975 is still ahead—from £768,000 to £776,000.

Chairman, Mr. N. C. Housden believes this performance to be all the more creditable when recorded against a background of most difficult trading conditions and carrying the cost of substantial investments in the future which have yet to make a return.

He finds it is too early to forecast the likely outturn for the current year with any degree of accuracy. He is convinced, however, the group is well placed to respond rapidly to the changing requirements of the market and, in twelve months time, he will be able to report satisfactory results in all the circumstances.

Before prior years' items, earnings for 1974-75 were held at 11.5p per 25p share. The final dividend is 2.09p to make 6.49p net (5.88p).

	1974-75 £000	1973-74 £000
Turnover	23,339	20,631
Profit before tax	776	768
Taxation	409	422
Net profit	367	346
Prior years debit	13	*27
Minorities	9	2
Available	347	371
Dividends	204	178
Retained profit	133	193

* Credit.

● comment

A 14½ per cent. downturn in the second half left Arlington Motor's full-year profits virtually unchanged. But this is after interest charges almost doubled to £0.2m. for the year, reflecting first the build-up of stock, which was £2m. higher than the comparable figure of £2.8m. by the year end, and second, capital expenditure not even partially offset by the expected sale of a 3½ acre site at Enfield which fell through. The introduction of Vauxhall's Chevette has initially revived flagging demand for private cars, but this accounting for only 10 per cent. of sales, will make little difference to the current performance. Commercial vehicles have sustained the group, yet that market must also be looking flat now. Still tax relief on stock appreciation, amounting to a tax saving of over £0.3m., should hold back the overdraft, which was up to £2.4m. by March, and the shares remained unchanged at 63p yielding 16.4 per cent.—a shade above most of the sector.

George Ewer looks to better year

ON PRESENT estimates, profits of George Ewer and Co. in the current year should show an improvement over those for 1974-75, states chairman Mr. H. G. Ewer.

Better summer weather than last year could make a significant difference to the transport results: also the prospect of a substantial contract for part of the group's coach fleet for the winter months gives room for optimism in transport activities during a time when revenue is normally at its lowest level.

The chairman says that the introduction of new models for sale by the motor division has helped to give added interest and a lift to an otherwise unhealthy market, "so it is right to say that most of the ingredients are there for an uplift ready to be used to the company's best advantage when the national economy itself takes on a more favourable complexion and restores confidence."

As reported June 18 group pre-tax profits fell from £500,013 to £367,366 in the year ended January 4, 1975. An analysis of turnover—£9.8m. (£9.67m.)—and profit shows: transport £1.45m. (same) and £147,497 (£198,520); motor £8.34m. (£8.22m.) and £219,869 (£301,493).

As regards scrip dividends the directors feel that despite proposals to make these tax liable, it would be beneficial for the company to take powers to enable holders who prefer to receive shares instead of cash to do so.

It is proposed to amend the articles at an extraordinary meeting, preceding the annual meeting at the Connaught Rooms, W.C., on August 7, at 11.25 a.m.

Mr. Jacob Rothschild, chairman of Rothschild Investment Trust.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Arlington Motor	2.09	Aug. 29	4.48	6.49	5.88
Bridgewater Trust	0.35	—	nil	0.35	nil
A.C. Cars	0.28	Aug. 29	0.28	—	0.88
Crown House	1.22	—	1.12	1.75	1.65
Hampson Inds.	0.45	—	0.3	0.75	0.5
Reabrook Trust	0.6	—	0.6	0.98	0.98
Rothschild Trust	(a)10.5	Sept. 23	10	14.5	14
Robert Riley	0.58	Aug. 27	0.54	0.76	0.71

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Gross throughout.

SWS reducing loan stocks by £14m.

BY MARGARET REID

SCHEMES FOR a reduction of some £14m. in the nominal value of the loan stocks, and so the "gearing," of Slater Walker Securities, have been proposed. They provide for the cancellation of the outstanding £31.2m. of the relevant four stocks—some £19m. of which has already been brought in by the company for cash—and for their replacement by £17.1m. of a new 17½ per cent. unsecured loan stock 1995, together with either new shares or cash.

The stocks in question are the company's four unsecured loan stocks. The 9½ per cent. partly convertible stock 1984 is not affected by these proposals.

In addition, there are a number of foreign currency loans, which have also been reduced from their original total by the company's purchases. Mr. Michael Booth, an SWS director, said yesterday that the proposals would reduce the amount of long-term borrowings from £115m. to £101m. The company, which bought in a substantial amount of stock last year, following large disposals for cash of various interests, has in 1975 already purchased a further £2½m. nominal of the five U.K. loan stocks, including the partly convertible, and £4.8m. of the foreign loans.

For every £100 nominal of the 9½ per cent. stock 1988-93 (of which £1.98m. is outstanding), holders are offered £57.60 nominal of the new stock and 10 new shares; for every £100 of the 9½ per cent. stock 1991-96 (£7.85m. outstanding), holders are offered £56.80 of the new stock and 10 new shares.

For every £100 nominal of the 9 per cent. stock 1991-96 (£14.34m. outstanding) £53.60 of the new stock and 10 new shares are offered; and for every £100 of the 9½ per cent. stock 1997-2002, (£7.12m. outstanding), the offer is £54.20 of the new stock and 10 new shares.

Holders will be entitled, if they wish, to receive 70p cash instead of each new share; SWS shares last night closed 1p down at 69p. Closing prices of the four stocks were, respectively, £64½, up £3½; £63½, up £2; £60½, up £2½; and £61½, up £4.

In the event of the schemes not becoming effective, SWS is proposing offers whereby the stocks will be cancelled on the same basis as under the relevant scheme. Thus, the individual shareholders will have the opportunity to obtain the effect of the proposals, even if the scheme concerned does not become effective.

SWS said yesterday that holders taking the stock and shares alternative would receive gross gains in annual income, for the four stocks respectively, of 13.57 per cent.; 12.10 per cent.; 12.22 per cent.; and 10.27 per cent.

See Lex

London Life revises terms

By Eric Short

The London Life Association has introduced revised terms for its Flexible Life Assurance contract. This is a whole life policy with a guaranteed sum assured payable on death. It shares in the profits of the company by reducing premiums, a unique method, rather than in the usual form of reversionary bonus declarations.

Premiums under the contract are paid in full for 7 years only and are steadily reduced thereafter. Under current profit rates, they should be completely extinguished after 13 years. The policy continues to share in profits after premiums have disappeared. These may be withdrawn each year without tax penalty to provide an increasing income or left to accumulate and be withdrawn in a lump sum. The guaranteed sum would be payable on death.

LOWSON SCHEME APPROVED

A scheme of arrangement which will create two large companies from interests previously controlled by Sir Denys Lowson, a former Lord Mayor of London, was approved by a High Court judge yesterday.

The two new companies will be Estates House Investment Trust and Estates House Securities.

Mr. Richard Sykes, who presented the scheme, told Mr. Justice Templeman it was of immense complexity, dealing with interlocking holdings between companies.

The previous structure of the companies had been disadvantageous to public investors, and confidence in the Lowson Group had been seriously affected by investigations into the companies' affairs.

Lloyds Inds.

Mr. T. Haywood, chairman of Lloyds Industries, told shareholders at the annual meeting that group sales in the first four months of the current year were some 30 per cent. ahead of last year.

Growth in overseas sales was very encouraging, especially in Australia where benefit of the investment programme was now being realised.

Although costs continue to rise, a satisfactory increase in profits could be anticipated over the year.

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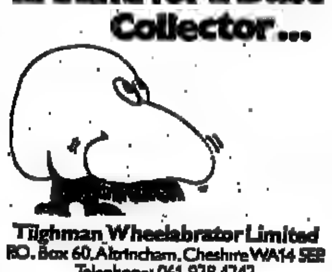

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RESULTS AND ACCOUNTS IN BRIEF

BOND WORTH HOLDINGS—Because of recent increase in tax rate, net dividend will now be 1.625p instead of 1.675p per share.

BRICKHOUSE DUDLEY—Results for year to March 31, 1975, reported June 27, with observations on prospects. Group fixed assets £2,645,862 (£2,646,957). Net current assets £1.61m. (£1.02m.). Meeting Birmingham on August 1, at noon.

BRIDGWATER INVESTMENT TRUST—Dividend 0.35p for year ended March 31, 1975 (nil for nine months). Gross revenue from investments and interest £72,437 (£58,132). Dealing profits £1,394 (losses £162,107). Pre-tax profit £45,300 (loss £74,818). Tax £21,231 (nil). Net asset value per 10p share 6.79p (10.8p).

BRISTOL PLANT (subsidiary of Carlton Industries)—Results for year to March 31, 1975, already known. Fixed assets £2.45m. (£2.3m.), net current assets £232,047 (£261,051). Chairman says recession in building industry will continue throughout current year and probably well into 1976. The company is in good financial shape to weather difficult conditions. It has been possible to reduce borrowings by £100,000 after providing £110,000 for premises in France. Meeting, Bristol on August 7, at 11 a.m.

CORNERCROFT—Interim 0.75p (0.504p) net, costing £19,300 (£20,100) for the half year ended March 31, 1975. Last year's total 2.69p. External turnover for half year £1,977,000 (£1,644,000). Profit before tax £105,000 (£93,000). Tax takes £53,500 (£47,000), leaving £51,500 (£56,000). Pref. dividends paid £2,275 (£2,275). Attributable profit £49,225 (£47,725). Earnings per 20p share 1.97p (1.91p).

ELSWICK-HOPPER (bicycle and engineering components)—Results for year to January 31, 1975, reported June 3 with observations on prospects. Group fixed assets £644,278 (£591,179). Net current assets £437,545 (£347,339). Meeting, 10a, Chandos Street, W., on July 31, at 12.30 p.m.

GARDINER, SONS and COMPANY (subsidiary of Carlton Industries)—Results for year ended March 31, 1975 reported June 24. Group fixed assets £535,911 (£502,291). Net current assets £2.21m. (£1.85m.). Company is in a good position to obtain a larger share of a reducing market and it is expected that the current year will show some modest improvement. Meeting Bristol on August 7 at 11.30 a.m.

HENDERSON-KENTON—Treasury has ruled that the originally proposed final of 1.52p per share exceeds the statutory limit as amended, by 0.0578p. Consequently, a final of 1.4622p will now be proposed.

JOHN J. LEES (manufacturing confectioners)—Dividend 1.1759p, making 1.6259p (1.4954p) net. Sales year to March 31, 1975, £351,328 (£608,629). Pre-tax profit £74,418 (£90,357). Tax £41,702 (£38,781). Add extraordinary items £6,627 (nil).

REABROOK INVESTMENT TRUST—Final 0.6p making 0.975p net (same). Turnover year to May 31 1975 £15,907 (£14,740). Profit attrib. £3,771 (£9,294), after tax of £178 (£98). Earnings per share 0.8771p (0.9294p).

WHATLINGS (civil engineers and building contractors)—Interim dividend 0.175p net (same). Turnover £8.43m. (£4.89m.) for six months to March 31, 1975. Profit £23,000 (£32,000) before tax £13,000 (£16,000). Profits normally earned in second half during the summer months, and figures for any half year to March 31, do not provide a reliable indication of full year's results.

WOLVERHAMPTON STEAM LAUNDRY—Results for year to March 31, 1975 reported June 19. Group fixed assets £116,723 (£177,392). Net current liabilities £12,320 (assets £9,973). Future prospects are still not encouraging on account of the accelerating inflation now taking place. Meeting Wolverhampton on August 13 at 11.30 a.m.

ISSUE NEWS AND COMMENT

Derby Borough £7m. stock at 13½%

Lists open on Thursday, July 17, for the issue by Derby Borough Council of £7m. 13½ per cent. Redeemable Stock 1982 at £98½ per cent.

The stock is payable as to £10 on application, £35 on September 15 with the balance due on November 17. Flat and redemption yields are 13.7 per cent. and 13.84 per cent. respectively. Interest on the stock is payable half-yearly on January 31 and July 31, with the first payment of £4.0638, payable per £100 of stock on January 31, 1976.

Brokers to the issue are De Zoete and Bevan, and Grieveson, Grant and Co.

● comment

After a couple of dismal responses to corporation issues, the Barnet issues at the beginning of the month reversed the trend and it seems that Derby could also meet with a favourable response. A redemption yield of 13.84 per cent. compares with 13.69 per cent. on GLC 12½ per cent. 1980-1982, and also has the edge over Barnet 14 per cent. 1984-85 which has three years longer to run. So, on current standing Derby should be a success. Although a question mark must hang over the movement of gilts between now and Thursday, gilts would probably have to shed over a point before this issue's attractions wane.

Prospectus Page 21

GEI—77.7%

In response to GEI International's rights issue of 4,305,911 Ordinary shares of 20p each at 38p per share, 3,346,717 shares (77.7 per cent.) have been taken up. The remaining 22.3 per cent. will be taken up by the underwriters.

LONG TAP

The full prospectus is published in connection with the issue of £750m. 13¼ per cent. Treasury Loan 1997 at £94.50 per cent. Interest will be payable half-yearly on January 22 and July 22. The first payment being on January 22, 1976 at £6.87 per cent.

NURDIN & PEACOCK

Nurdin and Peacock's rights issue of 2.4m. Ordinary shares on the basis of 1-for-5, at 60p gained acceptances for 95.2 per cent. The balance of 76,090 Ordinary shares has been sold at a premium amounting to 16p over the issue price and the net proceeds will be distributed to shareholders entitled thereto, except that no payment will be made for less than £1.

Peak £2.6m. at H.A.T.—50% scrip

A FURTHER advance in the second half of £410,000 to £1.59m. leaves pre-tax profit of H.A.T. Group, specialist sub-contractors to the building industry, ahead from £2.01m. to a record £2.62m. for the year to February 28, 1975.

Stated earnings are up from 7.7p to 10.7p per 10p share.

As known, final dividend is 0.856595p net, which raises the total from 0.9261p to 1.782595p, for which Treasury permission has been obtained. A one-for-two scrip is also proposed.

	1974-75 £000	1973-74 £000
Turnover	44,598	31,374
Trading profit	2,647	2,058
Loan interest	21	47
Profit before tax	2,626	2,011
Tax	817	819
Net profit	1,799	1,192
Minority	11	13
Dividends	299	146
Retained	1,499	1,033

● comment

As a result of a timely move into public sector sub-contracting, HAT's pre-tax profits have risen by 30 per cent., including between £200,000-£250,000 of acquisition profits: the latter stems from a cash outlay of under £1m. A lower tax charge, which accounts for about two-fifths of a 40 per cent. increase in earnings per share (the group has about £2m. of unutilised tax losses), means that dividend cover has slipped only from 8 to 6 times, despite a near-doubling of the proposed total payment. Turnover at the moment is running some 10 per cent. ahead of last year, implying a stable profits performance in the current year, and at 42p the shares yield 6.8 per cent. on a strong balance sheet.

EX-LANDS DROPS SCRIP OPTION

The directors of Ex-Lands have decided not to proceed with the proposal, whereby members be given the right to elect to receive shares in lieu of the 1.5p net dividend. This is in view of the unknown date of the receipt of funds from Nigeria.

JACKSON & STEEPLE LTD.

Mr. W. J. Beggs, in his statement with the Accounts for 1974, to be presented at the Annual General Meeting in Manchester on August 8, says:-

The Group profits of £75,006 (after all charges and including taxation recoverable) are rather disappointing when compared with the exceptional profit of £356,283, after taxation, for 1973.

In the statement covering the 1973 accounts mention was made of unaudited figures for the first six months indicating a profit of approximately £100,000, but in the second half of the year to 28th December 1974 this Company, like virtually all other textile companies, was badly affected by what has been described by a Government Minister as the worst recession since the 1930s.

This recession brought about short time working and the general economic depression, especially in the car industry, which has affected industry throughout the country, also had a serious effect on the amount of business dealt with by the finishing side of our Company.

Your Directors are continually looking at every possible way to improve the trading position of the company in the current year, but, as yet, there is no sign of an upturn in the industry, nor indeed in the general economy of the Country. We are, however, fortunate in having the machinery, the personnel and the skills to take advantage of the upturn when it comes.

Although this has been a difficult year, all personnel have worked very hard to achieve the best results possible and we do thank them all for their efforts.

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ADWEST GROUP LIMITED

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Issue of up to £2,087,000 nominal 10½ per cent. Convertible Unsecured Loan Stock 1995/2000

The Council of The Stock Exchange has granted permission for up to £2,087,000 nominal 10½ per cent. Convertible Unsecured Loan Stock 1995/2000 to be admitted to the Official List. The Stock is to be issued, fully paid, as part consideration for the acquisition of Sealed Motor Construction Company Limited.

Particulars of the Stock are available in the statistical services of Extel Statistical Services Limited and Moodies Services Limited and copies may also be obtained during normal business hours (Saturdays excepted) for the next fourteen days from:—

S. G. Warburg & Co. Ltd.,
30, Gresham Street,
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or from

Joseph Sebag & Co.,
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3, Queen Victoria Street,
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BSB Brook Street Bureau of Mayfair Ltd.

Points from the statement by the joint chairman, Mr Eric Hurst, LL B.

1975 is likely to prove a tough year, but not one for which we are unprepared. We have exercised a rigorous control over running costs and capital expenditure. Tangible assets, conservatively valued, represented about 29p a share in December 1974.

We stand ready to take early advantage of any felicitous turn in the economy. During the second half of 1975 we will recommence a cautious programme of branch openings.

Revenue from permanent staff placings shows a modest increase.

The Employment Agencies Act 1973 should be found to prove effective in procuring sound and ethical business practice.

47 Davies St. London W1Y 2LV.

Brook Street Bureau got big by bothering

armitage shanks strong recovery position

Points from the Annual Report to Shareholders

* The decline in profits is mainly due to the reduction in the activity of the building industry and to sharply rising costs, of which wages and fuel are more than 50%.
* Our capital expenditure programme of last year has been completed but not yet brought to a profit earning basis due to excess capacity in the industry as a whole.
* In spite of the decline in the overall market situation, sales in the U.K. remained at a relatively high level with exports up by some 65%.

"The group is in a strong position to benefit from an upturn in trade."

Kennedy Campbell, *Chairman.*

FIVE YEAR RECORD

	1971 (£000's)	1972 (£000's)	1973 (£000's)	1974 (£000's)	1975 (£000's)
Turnover	14,180	16,050	20,487	22,970	24,930
Profit before tax	997	1,629	3,580	3,877	1,799
Profit after tax	610	951	2,183	1,929	874
Ordinary Dividends	381	458	770	1,033	656
Earnings per Share	3.89p	6.05p	13.16p	10.67p	4.45p

armitage shanks BETTER BATHROOMS

Head Office: Armitage Shanks Group Limited, Armitage, Staffordshire.

Optimism at Renold

MR. L. J. TOLLEY, chairman of Renold, says that although economic uncertainty makes it difficult to look far ahead, he is confident that the group will continue to give a good account of itself.

The high order backlog of U.K. companies reported in 1973-74 continued to increase well into 1974-75, and orders in hand at the year-end should ensure a good start to current year sales.

In the home market steps continue to be taken to increase the group's share of benefits accruing from capital investment in the steel, energy, extractive, anti-pollution and other growth industries.

Members are told that special efforts are being made in countries where substantial developments have been made possible by high oil revenues. In addition, every opportunity will be taken to raise sales and to take full advantage of the potential in other important markets where group penetration is considered to be capable of expansion.

Regarding group expansion the chairman feels that the last two years have proved that previous investment in the U.K. was correctly planned to cater for demand and that it was the inability to utilise fully this capacity which restricted sales.

There is therefore no pressure at present for further major expansion plans, but where necessary projects are in hand for providing additional capacity. In the U.S. the capacity for existing products of Renold Ajax is to be increased and the product range extended.

At March 30, capital expenditure authorised totalled £6.88m. (£4.36m.), of which £3.28m. (£1.92m.) had been contracted.

As reported July 3, group pre-tax profits in the year ended March 31, 1975, expanded from £10.3m. to £13.1m. The net dividend total is raised from 6.4906p to 7.0604p; in addition a rights issue to raise some £8.3m. is proposed.

On the subject of inflation accounting, the chairman points out that because of both the "conservative and realistic accounting policies" adopted, particularly as regards the higher depreciation arising from the revaluation of assets, and also because of the fall in the real value of external borrowings, group results shown in the report on a CPP basis are little different from normal accounts and compare favourably with the engineering industry in general.

This is shown by earnings of 20.2p on a CPP basis, compared with 18.5p historical.

External sales in 1974-75 increased from £70.5m. to £89.38m. Demand in all markets continued at a high level for most of the year although towards the end there were signs that the pace was slackening.

During 1974-75 there was a net outflow of liquid funds of £9.75m. (£2.36m.)—at the year-end overdrafts and advances stood at £18.68m. (£9.43m.), while cash appeared at £0.45m. (£0.95m.).

Meeting, Wythenshawe, August 6, at 2.30 p.m.

Chairman's Statement Page 25

Outlook at Brown & Tawse

DESPITE the continuing decline in demand for steel Mr. S. D. Rae, chairman of Brown and Tawse, says that it is encouraging that sales and profits for the first three months of the current year have held up well.

He declares that he does not anticipate that the recovery in the steel trade will get under way until well into 1976 but in order that the group may take full advantage of the upturn "which will surely come" appropriate capital investment in warehouses and offices is proceeding.

The greatly increased requirement for working capital has been partially recognised and eased by the Government in the tax relief granted on stock appreciation. But "it still remains necessary for similar recognition to be given by the Price Commission to the erosion of real profits, by excluding stock appreciation from profit margins for the purpose of reference levels."

As reported on June 24 pre-tax profit for the year to March 31, 1975 advanced from £1.94m. to £2.03m. and the dividend is lifted from 1.846p to a maximum permitted, 2.022p net.

Meeting, Dundee on August 6, at noon.

Chairman's Statement Page 23

Burlington denial

Burlington Industries, in response to various rumours and reports, said yesterday that it has no intention of withdrawing from the European textile market.

As evidence of its long-range confidence in the European textile market, Burlington has recently enlarged its polyester/cotton operations in Italy, started construction of a finishing plant in Republic of Ireland and expanded the lapidus knit and garment operations in Sweden and Finland.

Burlington's European operations have been affected by the severe business conditions felt in all of Europe and steps have been and will continue to be taken to restructure operations and plants as necessary to meet these conditions.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
♣	F.P.	—	172	158	Akroyd & Smithers	158	......	u50	1.7	12.0	7.7
48	F.P.	11/7	66	48	Clive Discount (20p)	65	......	16	—	9.5	—
♣	F.P.	—	£22¼	£17¼	Cent.Can. Inv. $1	£17¼	−¼	*		4.5	—
55	F.P.	—	55	55	Lawrence (Walter)	55	......	b18	2.7	12.5	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price £	+ or −
♣£100	F.P.	[illegible]	140	114	Allied Irish 10% Conv. Uns 1985	115	−7
$100	F.P.	—	101	$99½	Barclays Bank Int. 9½% Capital Notes 1982	101	......
£100	£10	—	10⅝	10¼	Barnet Corp 13½% 1980	10¼	......
£100	£10	—	11¼	10⅛	Do. Do. 14% '84/5	11	−¼
£100	F.P.	—	100	100	C&R 9¾% Notes 1980	100	......
**£98	£10	—	9¾	9¾	Camb. Water 8% Red. Pref. 1980	9¾	−¼
£97½	£50	—	50	49⅝	City of Westminster 13% Red. St. 1981	49¾	−⅛
♣£99	£10	29/8	11¼	10¾	East Surrey Water 9% Red. Pref. 1980	10¾	......
£100	F.P.	—	106½	102½	Ennis Finance (U.K.) 9% Cnv Gtd Uns Ln. 85-90	105	−1⅛
£99	F.P.	31/7	112	100⅝	Folkestone Dist Water 9% Red Prf. 1980	100⅝	−⅛
♣£100	F.P.	6/6	138	115	Gestetner 10% Conv. Uns. '90/95	122	−1
£100	£50	—	55	55	Hoechst 10% Guar. Ln. 1980	55	......
£99	F.P.	30/8	102¼	97	Lincoln Corp. 14% 1980	99½	+2½
♣£100	Nil	—	7½	2½	Mitchell Cotts 13% Conv. Uns '90/5	3pm	−4½
$100	F.P.	—	$103	$100½	Norsk Hydro 9¾% Bds.1985	$105	......
£100	F.P.	21/5	125	106	N. Atlantic Secs. 7½% Cnv. 95-96	113	......
£99	F.P.	31/7	112¼	100⅜	N. Surrey Water 9% Red Prf. 1980	100⅜	−⅛
♣£100	Nil	16/7	6	½	Prop. Hldgs. & Inv. 9% Conv. '90/5	½pm	......
£99	£10	29/8	10¾	10¼	Sunderland 25¼ Water 9% Red. Pref. 1980	10¼pm	......
‡1	F.P.	—	93	77½	Turner Curzon 16% Conv. Uns. '78-80	85	......
£1	F.P.	24/6	110p	98p	Waterford Glass 10% Conv. Cum. Red. Prf.	101½	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date †	Latest Renunc. Date ‡	Stock	Closing Price p	+ or −
110	Nil	—	—	Anderson Strathclyde	2pm	−3
45	F.P.	20/6	8/8	Associated Engineering	49	−3
25	F.P.	7/7	21/8	Barrow Hepburn	35	−2
85p	F.P.	2/7	1/8	Bell (A.)	103	+1
46	F.P.	7/7	10/8	Bee Intl	44	−½
£100	Nil	—	—	Borel (Jacques)	168pm	......
115	Nil	21/7	1/9	Bowater	19½pm	−1½
50p	Nil	—	—	Brit. Steam Specialties	3pm	......
40	F.P.	3/7	8/8	Carless Capel	61	−1
30	Nil	21/7	29/8	Century Oils	4pm	−1
A$1.50	F.P.	2/7	7/8	Commercial Bank of Australia	223	+3
72	Nil	—	—	Dunbee-Combex-Marx	28pm	
45	F.P.	26/6	25/7	Duport	41¾	−¾
25	F.P.	13/6	11/7	Elliott Grp. (of Peterboro)	34	......
65	F.P.	4/7	21/8	Ever Ready	77	−1
10p	Nil	—	—	Feedex	12pm	......
58	F.P.	11/7	1/8	GEI Int.	57	−1
200	F.P.	4/7	7/8	Glaxo	345	......
17	F.P.	4/7	17/7	Gordon Johnson-Stevens	18½	......
52	F.P.	16/6	11/7	Hawkins & Tipson	67	......
25	Nil	21/7	—	Hazlewoods (Proprietary)	½pm	......
10p	Nil	—	—	Headlam Sims & Coggins	3pm	−1½
25p	F.P.	24/6	18/7	Bestair	50	−2
20	Nil	22/7	8/8	Kwahu	2½pm	−½
28	Nil	21/7	20/8	Leboff (Fobel)	5pm	......
103	Nil	—	—	Legal & General	13pm	−5
50	Nil	18/7	—	London United Invs.	10pm	−1
25p	Nil	23/7	20/8	MacFarlane Group	42pm	......
100	F.P.	11/6	11/7	Marshalls Universal	102	−3
210	Nil	—	—	Metal Box	18pm	−2
10p	F.P.	2/7	8/8	NSS Newsagents	45	......
60	F.P.	9/7	8/8	Nurdin Peacock	77	−1
105p	Nil	21/7	29/8	Pegler Hattersley	4pm	−2½
180	F.P.	11/7	1/8	Phoenix Assurance	202	+2
A$1.50	Nil	—	—	Poseidon	70pm	......
5p	F.P.	11/7	5/8	Premier Cons. Oilfields	9½	+1
108	F.P.	19/6	17/7	Prudential Ass.	125	......
67	Nil	24/7	19/8	Redland	8pm	−1½
20	F.P.	4/7	8/8	Root Harvesters	23	−2
10	Nil	—	—	Senior Engineering	2½pm	−½
27½	F.P.	10/7	21/8	Serck	31½	+1
80p	Nil	—	—	Siebe Gorman	24pm	−4
500p	F.P.	—	—	Siebens Oil & Gas UK	555	−5
95p	Nil	—	—	Smiths Industries	5pm	−2
65	Nil	17/7	7/8	U.K. Optical	12	−1
50p	Nil	21/7	15/8	Unicorn	1½pm	−½
75	F.P.	20/6	16/7	United Biscuits	91	−4

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ♣ Offered to holders of Ordinary Shares as a "rights." ♥ 230 S.Afr. cents. † Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. $ With warrants.

GENERAL MINING GROUP

Gold Mining Companies' Reports for the Quarter Ended 30th June, 1975

ALL COMPANIES MENTIONED ARE INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA

WEST RAND CONSOLIDATED MINES, LIMITED

Issued Capital: 4,250,000 shares of R1 each 25,000 deferred shares of R1 each

	Quarter ended 30 June 1975	Quarter ended 31 March 1975	6 Months to 30 June 1975
OPERATING RESULTS			
Ore milled ex underground (t)	342,545	354,936	697,481
Ore milled ex surface dumps (t)	113,455	84,064	197,519
Total Ore milled (t)	456,000	439,000	895,000
Gold produced: (kg.)	1 518,720	1 658,317	3 177,037
Yield: (g/t)	3,33	3,78	3,55
FINANCIAL—TOTAL MINE			
Gold and Uranium	R'000	R'000	R'000
Working revenue—gold	5,197	6,306	11,503
Uranium revenue (net)	93	19	112
Gold and Uranium revenue	5,290	6,325	11,615
Acid and pyrite revenue (net)	−18	29	11
Total Revenue	5,272	6,354	11,626
WORKING COSTS*			
Underground operations	5,851	5,619	11,470
per ton milled	17,08	15,83	16,44
Surface dumps	522	385	907
per ton milled	4,59	4,58	4,59
Total working costs	6,373	6,004	12,377
per ton milled	13,97	13,68	13,83
Working profit	−1,101	350	−751
State Aid	1,222	351	1,573
Additional revenue (net)	46	40	86
Profit before taxation	167	741	908
Taxation	19	16	35
Profit after taxation	148	725	873
*Excludes uranium treatment costs			
Capital expenditure	239	292	531
Dividends declared:			
Ordinary: amount	212	—	212
per share (cents)	5,00	—	5,00
Deferred: amount	71	—	71
per share (R)	2,83	—	2,83
DEVELOPMENT			
Advanced—(m)	2,130	1,526	3,656
Gold Section:			
Main, Livingstone and Kimberley Reef Series:			
Advanced—(m)	2,130	1,526	3,656
Sampling results:			
Sampled (m)	448	414	862
Channel width—cm	87	76	82
Average value: cm.g/t	871	865	868
Payable:			
Metres (m)	166	123	289
Percentage	37,1	29,7	33,6
Channel width—cm	101	103	102
Value: g/t	15,08	19,84	17,15
cm. g/t	1,522	2,052	1,747
Uranium Section:			
Bird Reef Series:			
Advanced metres (m)	—	—	—
Sampling results:			
Sampled (m)	—	—	—
Channel width—cm	—	—	—
Average value:			
Uranium—cm.kg/t	—	—	—
Gold—cm.g/t	—	—	—
Payable:			
Metres (m)	—	—	—
Percentage	—	—	—
Channel width—cm	—	—	—
Value: Uranium—kg/t	—	—	—
—cm.kg/t	—	—	—
Gold—g/t	—	—	—
—cm.g/t	—	—	—

DEVELOPMENT SUMMARY for the 3 months ended 30th June 1975

Uranium Section: Nil.

Gold Section: Reef	Payable metres	Percentage payable	Channel width cm	g/t	cm.g/t
Main Reef	63,0	47,2	115	13,34	1,536
South Reef	21,0	18,9	15	141,75	2,065
Livingstone Reef	—	—	—	—	—
Kimberley Reef	82,5	40,4	112	12,24	1,372
Ventersdorp Contact Reef	—	—	—	—	—
Totals	166,5	37,1	101	15,08	1,522

REMARKS

Production. The serious shortage in underground Black labour strength at the start of the quarter adversely affected production and the tonnage milled ex underground sources was supplemented by treating 113,000 tons of low grade ore from old surface dumps.

The underground labour strength increased to 83% of requirements at the end of the quarter and the tonnage from underground had increased considerably by the end of June.

Working Costs. The main reason for the increase in costs was the recent wage award to White and Black workmen which accounted for R196,000 while stores increased by R157,000.

Capital Expenditures. There are commitments for capital expenditure totalling R249,399. The estimated total capital expenditure for the remainder of the current financial year is R330,000.

On behalf of the Board,
J. C. FRITZ, W. B. COETZER, Directors.

SOUTH ROODEPOORT MAIN REEF AREAS, LIMITED

Issued Capital—1,420,663 shares of 56 cents each

	Quarter ended 30 June 1975	Quarter ended 31 March 1975	12 Months to 30 June 1975
OPERATING RESULTS			
Ore milled (t)	99,000	98,700	399,100
Gold produced (kg)	416,585	461,470	1 855,827
Yield (g/t)	4,21	4,67	4,65
Revenue per ton milled (R)	14,82	17,14	16,71
Cost per ton milled (R)	18,81	16,85	16,11
Profit/(Loss) per ton milled (R)	(3,99)	0,29	0,60
FINANCIAL	R'000	R'000	R'000
Working revenue	1,467	1,692	6,670
Working costs	1,862	1,665	6,431
Working profit/(Loss)	(395)	29	239
State aid	387	21	408
Additional revenue/Expenditure (Net)	(2)	10	46
Profit/(Loss) before Taxation	(10)	60	693
Taxation	3	4	22
Profit/(Loss) after Taxation	(13)	56	671
Capital Expenditure: Profit appropriated	124	271	993
Dividends: declared	—	—	284
per share (cents)	—	—	20
DEVELOPMENT			
Advanced (m)	1,648	1,598	6,590
Sampling results:			
Sampled (m)	503	449	1,980
Channel width—cm	105	87	98
Average value: cm.g/t	351	328	617
Payable:			
Metres (m)	48	113	575
Percentage	9,6	25,3	29,0
Channel width—cm	89	73	86
Value: g/t	9,91	14,72	13,39
cm.g/t	881	1,075	1,157

DEVELOPMENT SUMMARY for the three months ended 30th June, 1975

Reef	Payable metres	Percentage payable	Channel width cm	g/t	cm.g/t
Ventersdorp Contact Reef	27	11,4	61	14,99	917
Kimberley Reef	21	7,6	124	6,71	835
Totals	48	9,6	89	9,91	881

ORE RESERVES at 30th June, 1975

	Ventersdorp Contact Reef	Kimberley Reef	Total Mine
Lease Area:			
Tons	267,000	32,400	299,400
Stope width—cm	115	136	116
Value: g/t	10,55	7,57	10,23
cm.g/t	1,208	1,027	1,191
Prospecting Areas:			
Tons	2,100	78,500	80,600
Stope width—cm	95	136	134
Value: g/t	7,90	8,16	8,15
cm.g/t	731	1,109	1,094
Total Mine:			
Tons	269,100	110,900	380,000
Stope width—cm	114	136	120
Value: g/t	10,52	7,99	9,79
cm.g/t	1,205	1,085	1,172

Pay limit related to a gold price of R4,027/kg ($180/oz). A total of 56,000 tons at a value of 12.69 g/t classified as unavailable is included in the mine total.

REMARKS

Production. Underground operations are still being adversely affected by the shortage of available payable stope faces and the breakdown of old equipment resulting in lower gold production.

Working Costs. The main reason for the increase in costs was the recent wage award to White and Black workmen which accounted for R96,000, while the higher cost of stores added a further R60,000 to the total.

On behalf of the Board,
J. C. FRITZ, W. B. COETZER, Directors.

BUFFELSFONTEIN GOLD MINING COMPANY LIMITED

Issued Capital—11,000,000 shares of R1 each

	Quarter ended 30 June 1975	Quarter ended 31 March 1975	12 Months to 30 June 1975
OPERATING RESULTS			
Gold:			
Ore milled (t)	800,000	771,000	3 131,000
Gold produced (kg)	7 307,436	7 135,000	29 742,436
Yield (g/t)	9,13	9,25	9,50
Revenue per ton milled (R)	32,86	34,06	34,16
Cost per ton milled (R)	19,68	19,07	18,78
Profit per ton milled (R)	13,18	14,99	15,38
Uranium:			
Pulp treated (t)	800,000	764,000	3 131,000
Oxide produced (kg)	154,860	162,100	661,550
Yield per ton (kg/t)	0,194	0,212	0,211
FINANCIAL	R'000	R'000	R'000
Working revenue (gold)	26,290	26,264	106,953
Working costs (gold)	15,748	14,707	58,797
Working profit (gold)	10,542	11,557	48,156
Profit on uranium production	2,130	258	1,609
Profit on sale of pyrite	56	150	432
Profit on sale of acid	25	22	88
Profit at Mine	12,753	11,987	50,285
Interest payable	7	1	19
Additional revenue (net)	701	392	1,888
Profit before taxation and State's share of profit	13,447	12,378	52,154
Taxation and State's share of profit	6,897	5,641	24,627
Profit after taxation and State's share of profit	6,550	6,737	27,527
Capital Expenditure:			
Gold	1,586	2,395	8,958
Uranium and acid	57	4	61
Trade investments	Cr. 11	Cr. 20	Cr. 23
Dividends: declared	11,550	—	19,800
per share (cents)	105	—	180
Loan repayments	47	—	93
Loan balance outstanding	76	123	76
DEVELOPMENT			
Advanced (m)	15,924	16,420	69,948
Sampling results:			
Sampled (m)	1,344	1,770	6,030
Channel width—cm	108	97	100
Average value: gold—cm.g/t	1,787	1,581	1,835
uranium—cm.kg/t	53,74	48,34	55,05
Payable:			
Metres (m)	1,017	1,209	4,587
Percentage	75,7	68,3	76,1
Channel width—cm	108	90	99
Value: gold—g/t	19,70	21,99	22,26
—cm.g/t	2,134	1,984	2,201
Value: uranium—kg/t	0,525	0,582	0,613
—cm.kg/t	56,67	52,52	60,70

DEVELOPMENT SUMMARY for the three months ended 30th June, 1975

Area	Payable metres	Percentage payable	Channel width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Pioneer Shaft	—	—	—	—	—	—	—
Pioneer Secondary	276	70,8	133,1	116,12	2,146	0,377	50,14
Eastern Shaft (inc. Lucas)	87	96,7	46,3	34,86	1,614	1,190	55,12
Southern Shaft	438	73,7	104,0	20,37	2,118	0,618	64,30
Orangia Shaft	216	80,0	110,7	21,35	2,363	0,453	50,17
Totals	1,017	75,7	108,4	19,70	2,134	0,523	56,67

ORE RESERVES at 30th June, 1975

	Available	Unavailable	Total Mine
Tons	5 401,000	1 267,000	6 668,000
Stopewidth—cm	151	150	151
Value: gold—g/t	14,288	16,278	14,666
cm.g/t	2,154	2,435	2,208
Uranium			
kg/t	0,368	0,346	0,364
cm.kg/t	55,47	51,71	54,75

Pay limit related to gold price of R4,027/kg ($180/oz).

REMARKS

Production (Gold). Mill throughput was increased to a level of 800,000 tons following the rise in underground Black labour strength to a level of 100% of complement. Furthermore it was possible to add 20,000 tons to the surface reserve ore stockpile which now stands at 253,000 tons.

Production (Uranium). The quantity of uranium produced was 7,300 kilograms less than that of the previous quarter due to the decline in recovery grade in line with the lower gold grade.

Working Profit. The lower gold profit was a result of a slightly lower average price realised for gold; a steep rise in working costs following the impact of the latest increase in wages to all workmen.

The profit on uranium increased by R1,872,000 following higher sales for the quarter in terms of fixed commitments.

Capital Expenditure. The major items were underground equipment, reduction plant modifications, exploratory development into the Eastern Zone, a new surface locomotive, electric power and compressed air supply and refrigeration.

On behalf of the Board,
A. W. S. SCHUMANN, W. B. COETZER, Directors.

STILFONTEIN GOLD MINING COMPANY LIMITED

Issued Capital—13,062,920 shares of 50 cents each

	Quarter ended 30 June 1975	Quarter ended 31 March 1975	6 Months to 30 June 1975
OPERATING RESULTS			
Ore milled (t)	417,000	427,000	844,000
Gold produced (kg)	3 411,734	3 528,942	6 940,676
Yield (g/t)	8,18	8,26	8,22
Revenue per ton milled (R)	30,55	30,49	30,52
Cost per ton milled (R)	25,96	22,63	24,28
Profit per ton milled (R)	4,59	7,86	6,24
FINANCIAL	R'000	R'000	R'000
Working revenue (gold)	12,738	13,019	25,757
Working costs (gold)	10,825	9,665	20,490
Working profit (gold)	1,913	3,354	5,267
State aid	—	—	—
Profit on sale of acid	21	13	34
Profit at Mine	1,934	3,367	5,301
Interest paid	43	40	83
Additional revenue (net)	202	206	408
Profit before taxation and State's share of profit	2,093	3,533	5,626
Taxation and State's share of profits	(43)	685	642
Profit after taxation and State's share of profits	2,136	2,848	4,984
Capital expenditure	938	1,235	2,173
Trade investments	(1)	41	40
Dividends: declared	2,090	—	2,090
per share (cents)	16	—	16
Loan repayments	106	—	106
Loan balance outstanding	1,541	1,647	1,541
DEVELOPMENT			
Advanced (m)	9,801	9,258	19,059
Sampling results:			
Sampled (m)	1,440	1,581	3,021
Channel width—cm.	16	16	16
Average value—cm.g/t	1,288	1,207	1,245
Payable:			
Metres (m)	960	990	1,950
Percentage	66,7	62,6	64,5
Channel width—cm	17	16	16
Value: g/t	104,5	105,7	105,1
cm.g/t	1,756	1,660	1,707

DEVELOPMENT SUMMARY for the three months ended 30th June, 1975

Area	Payable metres	Percentage payable	Channel width cm	g/t	cm.g/t
Toni Shaft	12	100,0	10	407,0	4,070
Margaret Shaft	—	—	—	—	—
Scott Shaft	186	47,5	25	91,4	2,231
Ventersdorp Contact Reef	—	—	—	—	—
E.S.V. Shaft	762	83,0	15	106,9	1,604
Totals	960	66,7	17	104,5	1,756

REMARKS

Production. The tonnage milled for the quarter decreased by a further 10,000 tons due in part to the shortage of underground Black workers early in the quarter. The strength increased to 93% of requirements at the end of June and as a result the throughput has improved.

Working Profit/Costs. The decrease in working profit was a result of the lower gold recovered for the quarter and a further steep increase in working costs following the latest increase in labour costs. The unit working costs are adversely affected by the lower volume (throughput) currently being experienced as the mine is geared to produce at a level of 180,000 tons per month.

In addition the sum paid to Hartebeestfontein Gold Mining Company Limited in respect of tribute payments accounted for R165,000.

Capital Expenditure. The main items were in respect of refrigeration and underground equipment. It is pleasing to report that the environmental conditions underground have improved considerably following the installation and commissioning of improved ventilation equipment.

There are commitments for capital expenditure totalling R1,772,000. The estimated total capital expenditure for the remainder of the current financial year is R4,800,000.

On behalf of the Board,
A. W. S. SCHUMANN, D. G. MALAN, Directors.

NOTE: (a) Development values quoted above represent actual results of sampling, no allowance having been made for any adjustments which may be or were necessary when estimating ore reserves at the end of the respective financial years.

(b) All financial figures are subject to audit.

Secretaries: General Mining & Finance Corporation Limited London office: Friars House, 39-41 New Broad Street, London EC2M 1NJ. 15th July, 1975.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Westinghouse pruning starts to pay off

BY GUY DE JONQUIERES

NEW YORK, July 14.

WESTINGHOUSE ELECTRIC'S major programme to hive off its loss-making operations has borne its first fruit. The company reported to-day that its net income rose 26 per cent. during the second quarter — the first significant quarterly rise in earnings it has announced since the third quarter of 1972.

Second quarter net income rose to $41.6m. or 47 cents per share from $32.9m. or 37 cents per share a year before, though sales were almost identical to a year before at $1.4bn. During the six months, net income rose to $74.6m. or 85 cents per share, up from $62.3m. or 70 cents per share, while sales fell to $2.8bn. from $3.0bn.

The figures for the second quarter of last year reflect a loss from discontinued operations of $5.8m. or six cents per share, and net income from continuing operations during that quarter was $38.7m. or 43 cents per share. During the first six months of last year, there was a loss from discontinued operations of $12.5m. or 14 cents per share, while net from continuing operations amounted to $74.8m. or 84 cents per share.

Since the middle of last year, Westinghouse has been taking a series of radical steps to improve profitability by disposing of operations which were either marginal or in the red. Among its major divestments have been the sale earlier this year of its major appliance business to White Consolidated Industries and the disposal of its lift-manufacturing operations in France and Belgium. It has also phased out its mail order business.

Earlier this year Mr. Robert Kirby was appointed Chairman to succeed Mr. Donald Burnham. One of Mr. Kirby's major objectives has been to pull the company out of many of the diversified activities which it acquired during the 1960's and to focus attention on Westinghouse's traditional business of manufacturing electrical generating equipment and turbines.

The company said to-day that earnings of its public systems company improved during the quarter, but that power generation equipment continued to suffer from inflationary pressures. However, part of the decline in power systems was offset by improved performance for transmission and distribution equipment.

The industrial equipment segment of its industry products company had a "strong performance," and the subsidiary was able to improve on net income earned during the first half of last year despite some softness in the markets served by the components and materials division.

Westinghouse Credit Corp had higher earnings in both the second quarter and the first half because of declining interest rates. Westinghouse said that its backlogs as of June 30 were $8.9bn., up 5.4 per cent. from a year before, and that short-term debt was reduced by more than $200m. from a year earlier to $221m.

Meanwhile, Westinghouse said that it is reviewing its obligations under long-term contracts to supply uranium to its utility customers because of the sharp rise in the price of uranium since the Arab oil embargo was imposed in October, 1973. Uranium due for delivery in 1976 is now fetching between $25 and $30 per pound, compared with under $10 two years ago.

The company said that it could not determine precisely the amounts of uranium it was obliged to produce between 1978 and 1995. But it added that signed contracts in this category calling for delivery of about 40m. pounds were negotiated in the light of conditions prevailing before the oil embargo.

These contracts are subject to escalation in accordance with standard labour and material indices, but are not fully adjusted for the sharp rise in the uranium price. A further 30m. pounds is now being discussed in negotiations, it added.

Westinghouse said that it has provided for its requirements to 1978 but that thereafter the cycle is more difficult to predict, because there is a long cycle beginning with the contract and ending with delivery of the fuel which can run from four to 20 years. Thus quantities and timing of deliveries will be influenced by factors such as possible cancellations, suspensions and delays in construction of nuclear reactors for which Westinghouse is supplying fuel.

IBM earnings down 3%

BY OUR NEW YORK STAFF

NEW YORK, July 14.

International Business Machines' net income fell 3 per cent. during the second quarter of this year to $468.8m., or $3.14 per share, from $482.6m. or $3.28 per share a year before. Revenues rose 7 per cent. to a record level of $3.5bn. from $3.26bn. last year.

IBM had previously indicated that this year's second quarter earnings might not match up to those for the same period in 1974, when the company reported the highest income for any period in its history. The decline, however, was not as steep as had been expected by many Wall Street analysts, some of whom had forecast a decline to less than $3.0 per share.

Sales of all products, including typewriters, were off 14 per cent. from last year's second quarter, falling to $1.03bn. from $1.19bn. Nevertheless, the ratio between outright sales and rental and service revenues, which had been deteriorating, showed a marginal improvement over this year's first quarter. Second quarter sales were up more than 14 per cent. over the first quarter's $896.9m. (outright sales to customers raise current profits, while revenues from rentals are spread out over a number of years).

For the first half sales revenues were off more than 13 per cent. to $1.92bn. from last year, while rental and service revenues were up 20 per cent. to $4.85bn.

Earlier this month, in an effort to make its products more competitive in both the domestic and the international markets, IBM announced price reductions for four small computer models and a broad range of peripheral products. These price cuts applied to the U.S. and eight European countries, excluding Britain and West Germany.

Haw Par dealings halted

The London Stock Exchange yesterday said it had stopped dealings in the securities of Haw Par Brothers International under Rule 163(3) (e) as business has been suspended in the shares on the Singapore, Kuala Lumpur and Hong Kong stock exchanges.

N. Scotland raises $150m. for hydro-electric station

BY MARY CAMPBELL

THE NORTH of Scotland Hydro-Electric Board, under guarantee from the British Treasury, has raised $150m. by means of a five-year fixed-rate private placement overseas.

Neither the coupon nor the source of funds has been identified. However, it is thought that most if not all the funds may have come from the Middle East and that the interest rate is below the current interbank rate for five-year funds. This stands at approximately 9⅞ per cent.

Robert Fleming act as financial advisers to the North of Scotland Hydro-Electric Board in their overseas financing and are thought to have been responsible for arranging this borrowing.

The funds will be put towards new capital projects, primarily the construction of a 1,300m. megawatt power station at Peterhead in Aberdeenshire.

This is the first major overseas borrowing by a British public sector institution for several months. The large scale of former borrowings—particularly the $2.5bn. medium-term loan arranged on the Euromarkets for the British Government itself in the spring of last year—together with Britain's widely publicised economic problems have reduced foreign willingness to lend to British institutions. Although some private sector institutions have been able to raise substantial sums—ICI, Barclays and Distillers have all borrowed on private sector markets abroad—the capacity of the public sector to borrow much more on the Euromarkets has been widely questioned.

The extent to which this $150m. private placement may be seen as removing these doubts must be tempered in so far as the placement was made in the Middle East. Middle Eastern countries continued to build up their investments in Britain long after Euromarket banks had started to cut back.

Turkey & Morocco plan first Euromarket loans

BY MARY CAMPBELL

EUROCURRENCY MEDIUM term loans totalling over $1.3bn. are expected to be finalised this summer for Midd e Eastern and North African borrowers. Among these are the first ever borrowings on the international capital market by Turkey and Morocco.

The Turkish borrowing will be $150m. by Botas, a subsidiary of Turkey's state oil company. The loan offers a spread of 1¾ per cent. and minimum return to all participants of 1⅞ per cent. It will be for five years. Lead manager is Merrill Lynch Brown Shipley Bank.

The proceeds of the loan will be put towards the $500m. pipeline project which will link the Kirkuk oilfield in Iraq with the Turkish Mediterranean port of Iskederun. The main contractors for the pipeline is the German company Mannesmann. The balance of the funds are to be supplied mainly from Turkish internal sources, though there will also be a small amount of export finance.

The Moroccan loan is still a matter of market report, rather than definitive information. The loan is expected to amount to at least $100m. with Union des Banques Arabes et Françaises and Citicorp International as lead managers. A maturity of seven years and spread in the region of 1¾ per cent. are reported.

The purpose of the loan is said to be connected with various infrastructural projects such as harbour and phosphate development.

Details of Algeria's large-scale borrowing have now emerged. It will be in two equal parts, with half going to the Banque Nationale d'Algérie and half to Banque Extérieure d'Algérie. The exact amount will depend on the response of the market: $400m. is expected to be pre-underwritten, and the loan will in no circumstances be for more than $600m.

The management group has not yet been finalised but is expected to comprise a total of 12 banks. It will in any case include Bank of America, Banque Nationale de Paris, First Chicago Ltd., Amex International and Banque Arabe et Internationale d'Investissement. The maximum maturity from the date of signature will be seven years with the spread set at 1¾ per cent. for the first four years and 1⅞ for the last three.

The proceeds of the loan will be put towards the current four-year development plan which runs from 1973-1977.

The cost of servicing Algeria's outstanding Euromarket debt is already substantial. However, the current loan will more than cover this year's servicing requirement. It is expected to take care of the country's Euromarket borrowing needs during 1975.

Among other borrowers which will make up the total $1.3bn. are Iraq, which is in the market for $500m. for five years, and Sharjah which is not yet in the market but is expected to borrow some $25m. in the not too distant future. Details of the Sharjah loan have still to be finalised. The loan for Iraq offers a spread of 1¾ per cent. together with participation fees for banks putting up $5m. or more.

World Bank borrowings

By John Wicks

ZURICH, July 14.

BORROWINGS OF the World Bank in the 12-month fiscal year ended June 30 amounted to some $3.5bn., Bank director John Merriam said in Zurich to-day. Of this sum, about one-half had come from the OECD area and the remainder from OPEC countries. About a quarter of the Bank's overall borrowing was from Middle Eastern sources, he said. Among other OPEC members Venezuela and Nigeria each provided substantial amounts.

The World Bank, he told journalists at a Press lunch, must continue to borrow in order to sustain and expand operations, and the sum involved would probably be higher in the 1975-76 financial year which began at the beginning of this month. With OPEC countries' surpluses smaller than expected, he indicated that the share of oil producers in funds raised would probably not differ much from that for 1974-75.

The World Bank has come in for criticism in some Washington circles for becoming too much indebted to Middle Eastern countries and OPEC in general. The information that only a quarter of its overall borrowing came from the Middle East last year and only a half from all OPEC sources may go some way towards answering these critics.

Alpha orders lift Dornier

By Nicholas Colchester

BONN, July 14.

DORNIER, THE family owned West German aerospace company, has a secure future because of the Franco-German Alpha jet project. This was the message put across by chairman, Claudius Dornier, and finance director Karl-Wilhelm Schaefer, at last week's balance sheet press conference.

With a total of 400 of the new trainer-strike aircraft already ordered by the French and German forces, Dornier's aircraft building capacity, or about two thirds of its workforce, will be fully employed until 1981. The constructors are confident that export orders of between 400 and 600 aircraft can be won as well, which would keep Dornier occupied until the mid 1980s. Negotiations for such orders are already underway—for instance Belgium could decide to buy 35 of the aircraft.

HOLIDAY INNS

New look for Europe

BY JOHN WICKS, ZURICH CORRESPONDENT

THE WORLD'S biggest hotel chain, the Memphis-based Holiday Inns concern, has been building up a European network since 1968. To-day, over 50 Holiday Inns of the 1,700-plus international chain are located in Europe, of which some 20 are owned by the U.S. concern and the remainder by local franchise-holders. Further expansion is in progress, the next opening to include two hotels in the Paris area and one—the first of an Eastern European franchise in Cracow. In the coming years, there should be a total of at least 100 Holiday Inns in Britain, Germany and France alone.

The rapid growth of the European operation has brought with it a number of difficulties, which in the past year or so have in some cases been aggravated by the failing fortunes of the hotel business as a whole. The specific troubles of the Holiday Inns activities were basically threefold. First, administrative problems arose both from overcentralisation of efforts and, in contrast, lack of administrative unity—two dangers inherent in the running of a multi-country, multi-owner network. Secondly, errors of judgment resulted from attempts to transpose too much of the American hotel atmosphere to European models. And, thirdly, in the first enthusiasm for the European market, some Holiday Inns were established in unsuitable places.

Under the hard-headed leadership of Mr. David Lewis, Holiday Inns' South African managing director for Europe, a great deal has now been happening to correct the mistakes or misplaced zeal of the past. Dropped stitches are being picked up fast as the group—which is particularly interested in the British and German markets—continues its expansion programme.

Operations in the U.K. have improved considerably, says Lewis, since Commonwealth Holiday Inns of Canada (CHIC) and Holiday Inns itself — which respectively run six and five of the British hotels—started to co-ordinate their efforts much more closely. Previously, there had meen no common advertising, no common rate structure and no common identity on the part of the Memphis concern and its franchise, with negative effects on the 11 British Holiday Inns as a network. Without a merger (Holiday Inns Inc. owns only a minority shareholding in CHIC), they are now being run as a joint effort and with joint advertising and PR campaigns.

In Federal Germany, where there are 14 group hotels, the seven different franchise-holders here formed into a working committee, while closer co-operation has been created similarly between three franchisees in France.

These changes have both reduced dependence on the European office in Brussels and strengthened national sales and publicity efforts which had hitherto been unco-ordinated. At the same time, there has been a standardisation of rebate structures, which had shown very wide discrepancies between hotel and hotel.

The co-ordination of sales promotion efforts, in which all members of the chain are expected to support the international network and the Holidex reservations system, is very important to Holiday Inns. In Europe, actual umbrella advertising is currently running at a cost of some $1.6m., of which about $780,000 is provided as subsidy by the region's franchise-holders.

With regard to the "Europeanisation" of the hotels' image and ambiance, a lot has already been done. In England, the Birmingham Holiday Inn — which it was felt to be over-American and all wrong in the terms of what the customer really wanted — has just been completely refurbished. While the London Airport hotel and the Leicester and Liverpool restaurants have also been re-decorated. "Beery and British" is what was needed, Mr. Lewis claims. In Germany, too, it became clear that the American approach to hotel design and presentation was wrong for European needs. The Viernheim and Sindelfingen hotels have been refurbished and changes made in Hanover, Wolfsburg and elsewhere.

The Holiday Inns group in Europe has dropped its former policy of selling franchises where and when it could and is considering divesting itself of some hotels which no longer fit into its overall concept. One hotel being sold is that at Tournaix in Belgium, with an occupancy figure which is now at around 31 per cent. but has been as low as 11 per cent. Also no longer in the network are hotels at Tigne in France — now a Club Méditerranée site — and in Madeira. In the two latter cases, Holiday Inns came to feel it ought not to try to cater for resort guests; Mr. Lewis sees the typical hotel as aiming at the range from upper-rank commercial traveller to senior executives, the emphasis thus being rather on the urban side of the market. Other resort hotels now in the network could possibly be sold if the price were right.

The company is much less happy about the loss of its franchise in Toulouse. The siting was excellent and the occupancy rate high, but the franchise-holders sold the hotel to a competitor.

Elsewhere, enormous efforts are being made to keep the franchise system viable. In the case of ailing franchises, Holiday Inns is offering subordinated management services.

Although outside influences—like the rocketing Swiss-Franc exchange rate in the case of the two franchise hotels near Zurich Airport—have caused trouble in individual cases, most European Holiday Inns are "healthily in the black," Mr. Lewis says. In fact, he is himself surprised to se how pronounced the turn for the better has been in recent months. With a good level of gross operating profits, capacity use is up to 61.6 per cent. for this May, for example, as against 54 per cent. a year before despite rate increases of the equivalent of some $4.25 a room. In Britain and Germany, Holiday Inns' favourite countries, occupancy is well above 70 per cent. and around 62-63 per cent. respectively. Among other success stories, the company is particularly pleased with its 82 per cent. London Airport occupancy and that of no less than 96 per cent. at the Marble Arch hotel.

State buys Reksten shares

BY FAY GJESTER

OSLO, July 14.

THE NORWEGIAN Government has bought industrial and shipping shares worth some 177.4m kronor (£15.8m.) from Norwegian shipowner Hilmar Reksten. This was announced here at the week-end by Mr. Per Kleppe, Minister of Finance and acting Minister of Trade.

Last month, the Storting (Parliament) authorised the Government to spend up to 200m. kronor on buying Reksten's shares in a number of Norwegian companies. The shipowner, hard-hit by the tanker crisis, needed to sell them to generate cash.

The Government purchase had two main aims—to keep the shares in Norwegian hands, and to help Reksten meet his commitments to the big Aker shipbuilding group. Reksten, who has been one of Aker's major customers, has had to cancel orders with the group for six large tankers during the past year, and owes Aker 234m. kronor compensation for four of the cancelled orders, under the terms of a recent arbitration award. A further arbitration case is pending concerning compensation for the other two cancellations.

The Government had not made its purchase of the shares conditional on prompt payment of the debts to Aker, Mr. Kleppe told a Press conference. But it hoped that the deal would "inject liquidity into the system, and benefit the shipbuilding industry."

He said the Government had not taken advantage of Mr. Reksten's situation. The price paid for the shares—bought *en bloc*—was "lower than the quoted prices for these issues, but not much lower."

The purchase includes some kroner 90m. worth of shipping shares, all of which the Government intends to sell again, as soon as this can be done without involving the state in a loss. Until December 15 this year, Mr. Reksten has the right to buy them back for the price he received for them, plus 8 per cent. interest.

The remaining kroner 87.4m. worth comprises mainly shares in industrial companies, and the Government will almost certainly hold on to a good part of these, though no final decision has yet been taken. They include 38 per cent. of the shares in Bergens mek Verksted (a yard in the Aker group); shares in Holyer-Ellefsen, the contractors engaged in building the Condeep offshore production platforms; a small kroner 2m. stake in the Elkem-Spigerverket concern; 57,000 shares in Norsk Hydro (thus raising the state stake in Hydro to 51.4 per cent. from 50.7 per cent.); and 7,036 shares in Spitsbergen Coal (thus giving the state a majority in the company).

The take-over of the Spitsbergen Coal shares is disputed by other shareholders in the company, who claim that a private agreement with Reksten gives them the first right to buy 4,500 of the shares, thereby keeping majority control in private hands. This issue has not yet been settled.

Margaret Reid writes: Of the £15.8m. proceeds of the Reksten share sales, a sum in the region of £6m. is thought to have been paid over to Hambros Bank in London, a substantial lender to the Reksten interests and to the tanker industry. The bulk of this amount represents repayment of one loan made directly against the security of the shares, while the rest is being held as security against other advances."

Altogether Hambros has loans of some £80m. outstanding against tankers.

AMPTC to buy more tankers

BY JAMES McDONALD, SHIPPING CORRESPONDENT

SOME SLIGHT encouragement to hard-pressed tanker owners who have large proportions of their fleets lying idle during the current depression has come from the Arab Maritime Petroleum Transport Company (AMPTC) with an announcement that it intends to acquire more tanker tonnage.

Mr. Abdul Rahman Sultan, vice-chairman and managing director of AMPTC said over the week-end that the company has "decided to solicit offers from all available sources, either direct or indirect, for acquisition of a few more tankers, crude or product, in accordance of the AMPTC decision to increase its present tonnage."

The company will not be short of offers from owners of unemployed ships, some of them supertankers which have gone straight to lay-up berths from the shipyards. In a very strong buyers' market AMPTC can be expected to offer very low rates and be accepted. The demand is likely to be for second-hand vessels rather than for new tankers from the shipyards.

AMPTC already has tonnage on order with shipyards, including two 318,000 deadweight supertankers in West Germany and two 278,000 tonners in France. The company was formed in 1972 by eight oil producing States.

Meanwhile, Reuter quotes from Taipei a Central News Agency report that Mr. C. Y. Tung, the Chinese shipowners, has sought permission from local authorities to lay up tankers at Penghu—an offshore island in central Taiwan. The agency quoted an undated letter from Mr. Tung saying that a dozen tankers of the 200,000 tons class, owned by Chinese Maritime Transport—a C. Y. Tung group subsidiary—were to be laid-up because of the economic recession.

★

Overseas Shipholding Group, of the U.S. is to replace contracts in Japan for two large oil tankers with contracts for five dry bulk carriers, of 25,500 deadweight tons each, for delivery in 1977.

These ships will be 50 per cent. owned by OSG and will replace orders for a 279,000 ton tanker—which was to have been 50 per cent. OSG-owned—and a 128,000 tons tanker.

The company has also, during the second quarter of this year, disposed of its 50 per cent. interest in a long-term charter and announces that it has decided to make a reduction of all unamortised cost of its last remaining interest in long-term charts applicable to periods for which there is no charter-out proviso. In addition OSG has terminated the charter to the unnamed co-owner of the 279,000 tons tanker.

The company estimates that the gain realised on the termination of charter net of the cost of the disposition and the reduction of cost with respect to interests in long-term charter, will increase its first half net income by about $2m.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8¾pc 1985	99	100
Ashland 8pc 1987	92	93
Austraswiss 8pc 1987	90	91
BFCE 9pc 1980	98	99
Borregaard 8½pc 1989	95	96
Carrier 8pc 1987	91	93
Conoco 8pc 1986	97	98
Consd. Foods 7½pc 1991	86½	87½
Cutler Hammer 8pc 1987	92	93
EIB 9¼pc 1985	101½	102½
Esso 8pc 1986 Nov.	98½	99½
General Cable 8½pc 1987	89½	90½
General Motors 8½pc 1986	102½	103½
GTE 8½pc 1986	97½	98½
ICI 7¾pc 1992	77	79
Nat. Grindlays 7½pc 1987	76	78
Pacific Light 8pc 1988	91½	92½
Prov. of Quebec 7½pc 1985	88½	89½
Quebec Hydro 8½pc 1989	96½	97½
Queensland 8¾pc 1987	88	89
Scanraff 8½pc 1988	93½	94½
Shell 8pc 1986	97½	98½
Stand. Oil (Inc.) 8½pc '88	100	101
Tenneco 7¾pc 1987	88	89
Transocean 8pc 1986	98½	99½
TRW 8½pc 1986	96½	97½
Utah 8pc 1987	92	93
Volvo 9½pc 1985	99½	100½
NOTES		
Air France 9½pc 1982	101½	102½
Aust. Ind. Dev. 10½pc 1981	103½	104½
Barclays 7½pc 1978	96	98
Cie Ntl. du Rhone 10pc '82	103½	104½
Du Pont 7¾pc 1978	101½	102½
Esso 7½pc 1978	100½	101½
General Motors 8½pc 1976	101½	102½
Marubeni 9½pc 1982	101½	102½
Nippon Fudosan 10½pc 1981	102½	103½
Skand. Enskilda 10½pc 1981	103½	104½
Tenneco 7¾pc 1979	98½	99½
Tokyo Curacao 10½pc 1981	102½	103½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	88	90
Ashland 5pc 1988	80½	82½
Beatrice Foods 4¼pc 1992	95	97
Beatrice Foods 4½pc 1992	101	103
Borden 5pc 1992	92	94
Broadway Hale 4½pc 1987	73	75
Canon Camera 7½pc 1989	92	94
Carnation 4pc 1987	80	82
Chevron 5pc 1988	101	103
Dart 4¾pc 1987	89	91
Eastman Kodak 4½pc 1988	115	117
Economic Labs. 4¾pc 1987	84	86
Eidal 7½pc 1989	97	99
Ford 6pc 1986	85	87
Ford 5pc 1988	74½	76½
Fuji 6½pc 1985	119	
General Electric 4¼pc 1987	84	86
Gillette 4¾pc 1987	79	81
Gould 5pc 1987	84½	86½
Halliburton 4¼pc 1987	138	140
Harris 5pc 1992	86	88
Hitachi 6¾pc 1984	100	105
Honeywell 6pc 1986	78	80
ITT 4½pc 1987	69	71
Komatsu 7½pc 1990	108	110
J. Ray McDermott 4¾pc '87	138	140
Mitsui 8½pc 1989	150	
J. P. Morgan 4¾pc 1987	125½	127½
Motorola 4½pc 1988	139	142
Owens Illinois 4½pc 1987	88	90
J. C. Penney 4½pc 1987	86	88
Pioneer 6½pc 1989	138	140
Rand Selection 6½pc 1988	88	103
Rank 4½pc 1988	41	43
Revlon 4¼pc 1987	99	101
Sperry Rand 4¼pc 1987	98	100
Squibb 4¾pc 1987	86	88
Toshiba 6½pc 1990	102½	103½
Union Carbide 4½pc 1982	107	109
Warner Lambert 4½pc 1987	94	96
Warner Lambert 4¾pc 1988	79½	81½
Xerox 5pc 1988	76	78

Source: Kidder, Peabody Securities.

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Name
Position
Address
Phone No. CF83

WILLIAMS & GLYN'S BANK

The most flexible of the big five banks

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هكذا من الأصل

BIDS AND DEALS

Union backs Vantona take-over

Full support has come from the textile trade unions for the disputed £5m. bid from Spirella Group for the household textile specialist concern Vantona, whose Board, despite a split, is opposing the offer.

Mr. Joe King, joint general secretary of the Amalgamated Textile Workers' Union, said yesterday that the union had been kept fully informed of developments as they have occurred.

Welcoming the proposed takeover deal he declared: "This sort of merger which has been well-planned is much needed. Although an operation of this size will involve a certain amount of rationalisation the benefits are obvious."

The joint company, Mr. King continued, would be one of the strongest household textile divisions in Europe. As such, not only would it give security to those engaged in the industry, but it would also help to reduce imports, increase exports and make a valuable contribution to solving the national balance of payments difficulties.

The four-man Board of Vantona is divided two: two on the proposed bid. Mr. Herbert C. Pilkington, the chairman, whose personal holding in the company exceeds 10 per cent. of the capital, objects to the plan, along with another director. The managing director, Dr. John Blackburn, and another colleague back the offer, but the chairman's casting vote has led to a majority Board recommendation against it.

Yesterday, Spirella shares were unchanged at 41p, giving the bid a value of 47p per Vantona share, whose price closed 1p down at 49p.

STANDARD AND CHARTERED

Standard and Chartered Banking Group has sold its 15 per cent. shareholding in the capital of the Hamburg private bank, Bankhaus Conrad Hinrich Donner, to Vereins und Westbank, Hamburg, a leading commercial bank in West Germany.

SCGB's action is a result of its policy of expanding its own banking activities in the Federal Republic and in Europe as a whole. It already has well established branches in Hamburg, Paris and Milan together with representative offices in Madrid, Copenhagen and Frankfurt, the latter two being due to assume full branch status later this year.

In addition, there is a wholly owned subsidiary, Standard Chartered Bank NV, operating in the Netherlands with branches in Rotterdam and Amsterdam, and a branch is shortly to be opened in Antwerp.

A considerable shareholding interest is also held in the Swiss Anglo Nordic Bank, which operates in Zurich.

ADWEST-SMC

The offer by Adwest to acquire the capital of Sealed Motor Construction not already owned has been declared unconditional.

Acceptances have been received in respect of 4,190,563 Ordinary shares of SMC which, together with the 497,500 Ordinary shares acquired during the offer period, represent 85.2 per cent. of the capital.

The offer remains open until July 25, 1975. Dealings in the 10½ per cent. Convertible Unsecured Loan Stock 1995/2000 of Adwest are expected to commence to-day.

IRISH BANK MERGER

The offer by City of Dublin Bank for Irish Bank of Commerce has been declared unconditional. Acceptances have been received for 346,912 Ordinary shares (97.4 per cent.). Dealings in CDB shares concerned will commence to-day.

NEWMAN INDS.

Mr. Alan Bartlett, chairman of Newman Industries, which recently adjourned an extraordinary meeting pending an independent inquiry into certain proposed takeovers, yesterday released a letter he has sent to the chairman of Hambros Bank inquiring about the bank's role in the situation.

In his letter, Mr. Bartlett says that Hambros has formally requested a complete list of shareholders and adds "it is therefore reasonable and equitable to enquire of you as to your role in this matter."

A spokesman for Hambros said yesterday that the bank was preparing a reply to Mr. Bartlett's letter. He pointed out that Mr. Angus Murray, a director of Newman who had attacked the proposed takeover deals, is an "industrial adviser" to Hambros and the bank is advising Mr. Murray in his personal capacity. He added that if Mr. Murray wished to circularise Newman shareholders the bank wanted to be in a position to do this.

HAWKER SIDDELEY

Hawker Siddeley Group is to take a fifteen per cent share of the equity of a company to be formed in Iran to build small diesel engines. The company, Sherkat Cahami Hawksiran Diesels KHAS, will have a capital of about £2.5m.

Other participants include the Iranian Government Agency, IDRO (Iranian Development and Renovation Organisation), two local agents of Hawker Siddeley companies — Mahyar Industrial Company and Sherkat Nesbi Jamshid Yaganegi Wa Sharaka—and an Iranian bank.

SHARES STAKES

The Osborne Group has acquired a further 5,000 Ordinary shares in Kimpher. With associates it is now interested in 390,000 shares representing 23.10 per cent. of the voting shares.

James Finlay has bought 500 Ordinary shares in Teith Holdings making total interest £349,500 Ordinary.

Slater Walker Securities, its subsidiaries, investment trusts, etc., are interested in 356,647 Ordinary shares of Melbourne and General Investment, representing 12.12 per cent. of the equity. This is not a disclosure under the Companies Act.

Mr. J. Whittaker and his associates now hold 2,913,500 Ordinary shares of John Bright Group (27.49 per cent.).

J. & J. DYSON

J. and J. Dyson is acquiring the 50 per cent share in Whitrigg Fireclay owned by Morgan Crucible, thereby making Whitrigg wholly owned. Consideration is £35,006.

MINING NEWS

Gold quarterlies make a mixed showing

BY LESLIE PARKER, MINING EDITOR

THE FIRST OF the June quarterly reports from the South African gold mines to come to hand yesterday were those of the Anglo American Corporation group. As foreshadowed in Mining Notebook, they were again based on gold prices that were generally lower than many analysts had computed on the evidence of the free market bullion price and the sales or retention made by the Reserve Bank from the country's gold stocks.

Consequently, working profits make a distinctly mixed showing with only those of Western Deep and Vaal Reefs higher than in the March quarter. An all-round recovery by the latter had been anticipated, the previous quarter's results having been affected by the mine's labour troubles. A sharp increase in uranium earnings is also reported.

The rise in costs has been held in check in a number of instances owing to a general increase in tonnages milled. Only Welkom records a minus in this respect. President Steyn states that power supply delays are affecting its planned production build-up.

Bullion prices

The average gold prices received vary between $154 an ounce for Vaal Reefs to $177 for East Daggafontein with most of the mines getting between $160 and $164. The expected industry average worked out by analysts was around $173.

It is becoming clear that the price that the mines obtain from quarter to quarter is increasingly being distorted not only by the fluctuations in the receipt of income from the krugerrand element in South Africa's gold sales but also by the arrangement whereby the Mozambique Government is allowed to buy a certain amount of gold at only $42.2 an ounce under the labour agreement with that country.

There can be no catch-up of revenue from the Mozambique deal, a long-standing one, but the loss of the premium income from any gold retentions by the Reserve Bank or by the falling-off in krugerrand sales will be made good eventually.

Only South African Land refers on this occasion to a shortage of labour which persisted throughout the June quarter in this case. The group's working profits are compared in the attached table.

	June qtr. R000	Mar. qtr. R000	Dec. qtr. R000
E. Dagga	*473	93	310
Freddies	*39	541	1,116
FS Geduld	25,818	29,979	26,413
FS Saaiplaas	532	1,244	622
President Brand	21,169	23,728	23,615
President Steyn	12,398	15,250	12,601
SA Lands	197	448	1,349
Vaal Reefs	24,792	16,376	40,723
Welkom	7,141	5,468	5,476
W. Deep	27,234	23,073	48,266
W. Holdings	26,548	28,101	27,665

* Loss.

RANDFONTEIN PROFIT UP

In the Johannesburg Consolidated group's June gold mining quarterlies Randfontein continued to lift the tonnage and profit from its new Cooke mine. Bullion price received was equivalent to $153 an ounce. But there was a fall in Western Areas' earnings although in this case the gold price works out at $170.

The latter company explains that labour shortage was directly responsible for reduced mill throughput. This had an adverse effect on unit costs. Gold recovery per ton was also lower owing to mining at a reduced cut-off value following the revaluation of the developed ore reserves.

Construction of the concentrator complex at the Otjihase copper prospect in South-West Africa is stated to have progressed satisfactorily although late delivery of steelwork has caused some delay. The gold-mining profits are compared below.

	June qtr. R000	Mar. qtr. R000	Dec. qtr. R000
Randfontein	6,611	6,306	6,374
Western Areas	7,889	9,878	14,184

URANIUM BOOST FOR BUFFELS

The only feature of the General Mining group quarterlies is that Buffels' improvement in working profit compared with the March period is due to a sharp increase in earnings derived from uranium. The overall mill throughput at this mine for the June quarter looks to have been a record at 800,000 tonnes. It follows a rise in underground black labour strength to 100 per cent. of complement. It is stressed, however, that the lower gold profit was partly due to a "steep rise" in working costs following the latest wage increases to all workmen. Gold price received works out at $164 an ounce.

West Rand's production was affected by a serious shortage of labour at the start of the quarter although at the end of the period underground strength had increased to 83 per cent. of requirements. The working loss shown in the attached table was offset by state aid.

Stilfontein was also short of black underground workers although the strength had increased to 93 per cent by June 30. Gold price received was $170. Group profits are compared below.

	June qtr. R000	Mar. qtr. R000	Dec. qtr. R000
Buffels	12,733	11,987	14,153
S. Roodepoort	*205	30	432
Stilfontein	1,974	3,257	4,171
W. Rand Cons.	*1,181	330	*264

* Loss.

MORE ORE AT MACKINTOSH

Indicated ore reserves have been increased at the Mackintosh base-metal prospect in Tasmania. It is being explored by Canada's Cominco and a 20 per cent. free interest is held by Paringa until expenditure on the venture since September, 1974, reaches $2m., so far, it amounts to $0.98m.

Following the drilling of 48 boreholes, indicated ore reserves have been lifted to 3m. tonnes averaging 0.3 per cent. copper, 5.8 per cent. lead, 10.1 per cent. zinc, 103 grams per ton silver and 2 grams per ton gold. In addition, there are 700,000 tonnes going 1.7 per cent. copper, 2.9 per cent. lead and 5.1 per cent. zinc.

It is added that exploratory drilling will continue for the remainder of the year. The shares of Paringa, which do not attract the investment dollar premium, were 13p yesterday.

Botswana RST: new chairman

While technical and financial problems continue to bedevil the Selebi-Pikwe nickel-copper project of Botswana RST the company announces the resignation of its chairman, Mr. R. H. Page. Having held the chair since 1972, he will be succeeded by Mr. J. Dexter Walcott, a vice-president of Amex which owns 30 per cent of Botswana RST. A further 30 per cent. is held by the Anglo American-Charter group.

Although Selebi-Pikwe started production on schedule in early-1974, the Botswana project has been running at well below the plant design capacity of 42,000 tonnes of matte a year—output in the first three months of this year was only about 3,000 tonnes, but may have improved since then—and its cost has doubled to some $300m. (£136m.) excluding $80m. supplied for the infrastructure by the Botswana Government which has a 15 per cent. stake in the operating company, the latter being 85 per cent. owned by Botswana RST.

The operation is limping along with the aid of temporary loans from the major shareholders of Botswana RST. At February 21 borrowings totalled R152.7m. (£97m.). Clearly a major re-financing operation must be launched soon. In the meantime, Mr. Page has naturally told Botswana RST shareholders that they cannot expect dividends "in the foreseeable future." Botswana RST were 88p in London yesterday.

MINING BRIEFS

KADUNA SYNDICATE—Output of Tin ore for June: 14 tonnes (May: 13 tonnes).

Long John small stock losses

Mr. Ian Coombs, chairman of Long John, said yesterday that the warehouse blaze in Glasgow on Thursday night was "not causing even a hiccup in our blending and bottling."

Although 500,000 gallons of whisky were lost, Mr. Coombs said a "substantial amount" was whisky being stored for other owners. The loss to Long John was "less than 2 per cent. of our total stock," he said. "I do not foresee any shortages."

Neither is the blaze likely to cause any drought in an industry which has 1bn. gallons of total stocks. The Glasgow loss involved mainly whisky only a year or two old and still maturing. It was covered by insurance.

£26,538 more at Robert Riley

The improved profit forecast for Robert Riley (Holdings) turns out to be £105,748 pre-tax for the 12 months to April 26, 1975, compared with £79,210 the previous year, after being up from £34,906 to £46,507 in the first half.

Year-end turnover was £578,339, compared with £447,712 and tax takes £36,316, against £40,145.

Final dividend is 0.38095p net per 3p share, which raises the total from 0.711p to 0.75595p.

The company makes springs and presswork.

These Notes have been sold outside the United States of America. This announcement appears as a matter of record only.

NEW ISSUE July 14, 1975

$30,000,000

Occidental Overseas Limited

10% Guaranteed Notes due 1981

Unconditionally Guaranteed as to Payment of Principal, Interest and Sinking Fund by

Occidental Petroleum Corporation

OXY

Kidder, Peabody International Limited — Blyth Eastman Dillon & Co. International Limited

Swiss Bank Corporation (Overseas) Limited — Union Bank of Switzerland (Securities) Limited

Algemene Bank Nederland N.V. — A. E. Ames & Co. Limited — Amsterdam-Rotterdam Bank N.V.
Arab Finance Corporation S.A.L. — Julius Baer International Limited — Banca Commerciale Italiana
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Bank Mees & Hope NV — Banque de Bruxelles S.A. — Banque Générale du Luxembourg S.A.
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Credit Suisse White Weld Limited — Credito Italiano — Daiwa Europe N.V. — DBS-Daiwa Securities International
Delbrück & Co. — Den Danske Landmandsbank — Den norske Creditbank — Deutsche Girozentrale —Deutsche Kommunalbank—
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Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) — Kuwait Investment Company (S.A.K.)
Lehman Brothers Incorporated — Loeb, Rhoades & Co. — London Multinational Bank (Underwriters) Limited — Merck, Finck & Co.
Samuel Montagu & Co. Limited — Morgan Grenfell & Co. Limited — The Nikko Securities Co. (Europe) Ltd.
Nomura Europe N.V. — Sal. Oppenheim jr. & Cie. — Orion Bank Limited — Privatbanken A/S
L. F. Rothschild & Co. — N. M. Rothschild & Sons Limited — Shields Model Roland Incorporated
Société Bancaire Barclays (Overseas) — Société Générale — Société Générale de Banque S.A.
Strauss, Turnbull & Co. — Sumitomo White Weld Limited — Vereins- und Westbank Aktiengesellschaft — S. G. Warburg & Co. Ltd.
Westdeutsche Landesbank Girozentrale — Dean Witter & Co. Incorporated — Wood Gundy Limited

NET

* Record sales
* Maximum permitted dividend
* Policy of Diversification

In the annual statement to the shareholders of NET Limited, Mr. Leonard C. Warshaw, Chairman & Managing Director reports:

Once again record sales were achieved, £16,465,000 compared with £15,529,000 in 1973. It is particularly gratifying that overseas sales increased from £1,245,000 to £2,077,000. Although the pre-tax profit shows a reduction of 14.4% it is still the second highest figure achieved by the Group and comparison is against a year which was by common consent one of outstanding buoyancy. The total dividend for the year is the maximum permitted.

The Group is now implementing the policy of diversifying its interests within clearly defined limits so as to become progressively less dependent on the wholesale distribution of timber and timber products. In 1974 we acquired a 76% holding in Jennings. Monk Limited which operates a number of retail shops under the names "The Louvre Centre", "Knobs & Knockers" and "The Door Store"; and also a "shop within a shop" at Harrods of Knightsbridge.

My confidence in the future of the Company remains unaffected by the immediate problems with which all industry is confronted.

	Sales	Pre-tax profits	Earnings per Ord. Share	Dividends per Ord. Share
1970	5,362,601	181,041	2.57	1.3333
1971	6,513,738	217,267	3.74	2.0833
1972	8,378,513	413,455	6.81	2.3718*
1973	15,529,118	803,963	9.33	2.4981*
1974	16,465,034	688,145	7.19	2.6316*

*including associated tax credit

The List of Applications will open at 10 a.m. on Thursday, 17th July, 1975, and close on the same day.

This issue is made in accordance with a General Consent given by the Treasury under the Control of Borrowing Order, 1958.

Application has been made to the Council of The Stock Exchange for the Stock being issued to be admitted to the Official List.

DERBY BOROUGH COUNCIL

ISSUE OF

£7,000,000 Borough of Derby

13½ per cent. Redeemable Stock, 1982

Authorised by the Derby Borough Council and issued in accordance with the Local Government Act 1972 and the Local Authority (Stocks and Bonds) Regulations 1974.

Price of Issue £98½ per cent.

PAYABLE AS FOLLOWS:—

On Application	£10.00 per cent.
On 15th September, 1975	£35.00 per cent.
On 17th November, 1975	£53.50 per cent.
	£98.50 per cent.

Interest (less income tax) will be payable half-yearly on 31st January and 31st July. A first interest payment of £4.0658 (less income tax) per £100 Stock will be made on 31st January, 1976.

The Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act, 1961.

National Westminster Bank Limited, New Issues Department, P.O. Box No. 79, Drapers Gardens, 12, Throgmorton Avenue, London, EC2P 2BD, are authorised by the Derby Borough Council to receive applications for the Stock in accordance with a Resolution passed by the Stock Issue Committee of the Council acting under delegated powers on 5th June, 1975.

1. SECURITY.—The Stock and interest thereon will be secured upon all the revenues of the Council and will rank equally with all securities issued by the Council.

2. PROVISION FOR REPAYMENT OF LOANS.—The Council is required by Acts of Parliament to make annual provision towards redemption of loans raised for capital expenditure and to make such returns in connection therewith as may be required by the Secretary of State for the Environment.

3. PURPOSE OF ISSUE.—The proceeds of this issue of Stock will be applied to replace moneys temporarily borrowed to meet authorised capital expenditure, to replace maturing mortgage debt, to finance further capital expenditure, and to defray the costs, charges and expenses of and incidental to this issue.

4. REDEMPTION OF STOCK.—The Stock will be redeemed at par on 31st July, 1982 unless previously cancelled by purchase in the open market or by agreement with the holders.

5. REGISTRATION.—The Stock, when fully paid, will be registered and transferable free of charge in amounts and multiples of one penny by instrument in writing in accordance with the Stock Transfer Act, 1963. The Register of the Stock will be kept at the offices of the National Westminster Bank Limited, Registrar's Department, Bristol Office, P.O. Box No. 82, National Westminster Court, 32, Broad Street, Bristol, BS99 7NH.

6. INTEREST.—Interest (less income tax) will be paid half-yearly on 31st January and 31st July by warrant, which will be sent by post at the Stockholder's risk, in the case of a joint account, the warrant will be forwarded to the person first named in the account unless instructions to the contrary are given in writing.

The first payment of £4.0658 (less income tax) per £100 Stock will be made on 31st January, 1976 by warrant in the usual way.

7. APPLICATIONS AND GENERAL ARRANGEMENTS.—Applications on the prescribed form, accompanied by a deposit of £10 per cent. of the nominal amount applied for, will be received at National Westminster Bank Limited, New Issues Department, P.O. Box No. 79, Drapers Gardens, 12, Throgmorton Avenue, London, EC2P 2BD.

Applications must be for a minimum of £100 Stock or in multiples of £100 for applications up to £1,000 Stock.

Larger applications must be made in accordance with the following scale:—
Applications above £1,000 Stock and not exceeding £5,000 Stock in multiples of £500.
Applications above £5,000 Stock and not exceeding £20,000 Stock in multiples of £1,000.
Applications above £20,000 Stock in multiples of £5,000.

A separate cheque must accompany each application form. No application will be considered unless this condition is fulfilled.

In the event of partial allotment, the surplus from the amount paid as deposit will be refunded to the applicant by cheque. If no allotment is made the deposit will be returned in full.

Payment in full may be made on or at any time after 15th September, 1975 and discount at the rate of £7 per cent. per annum will be allowed from that date or from any subsequent date of full payment.

Default in the payment of any instalment by its due date will render all previous payments liable to forfeiture and the allotment to cancellation.

Each applicant to whom an allotment of Stock is made will be sent a renounceable Letter of Allotment, which must be produced when instalment payments are made. Letters of Allotment, which may be split up to 3 p.m. on 3rd December, 1975, will contain forms of renunciation which will be available up to 3 p.m. on 5th December, 1975. On payment of the instalment due on 15th September, 1975, the Letter will be appropriately marked and returned to the sender. When payment in full is made, the Letter will be appropriately marked and returned to the sender unless the registration application form has been completed, in which case pages 1 and 2 only of the Letter will be returned to the sender.

Partly paid Letters of Allotment may be split in multiples of £100 Stock, but fully-paid Letters of Allotment will be split down to multiples of one penny of Stock. No Letters of Allotment will be split unless all instalments then due have been paid. There will be no charge for splitting Letters of Allotment.

The Stock Certificate will be despatched by ordinary post at the risk of the Stockholder(s) without further request on 9th January, 1976 to the first-named registered holder at his/her registered address. If between 5th December, 1975 and 2nd January, 1976, the Allotment Letter is lodged at National Westminster Bank Limited, New Issues Department, P.O. Box No. 79, Drapers Gardens, 12, Throgmorton Avenue, London, EC2P 2BD with the lodging agent's name and address inserted in the space provided at the foot of page 2, the Stock Certificate will be despatched to the lodging agent on 9th January, 1976, after which date Allotment Letters will cease to be valid.

A commission of 12½p per £100 Stock will be allowed to recognised bankers and stockbrokers on allotments made in respect of applications bearing their stamp and VAT registration number if applicable. This commission will not, however, be paid in respect of an application which arises out of an underwriting commitment.

8. STATISTICS.—Relating to the Borough of Derby:—

Population mid-1974 (Registrar-General's Estimate)	217,870
Rateable value—1st April, 1975	£38,505,219
Product of rate of 1p in the £—1975-76 (estimated)	£365,765
Rate in the £—1975-76	73p
Net loan debt at 1st April, 1975	£76,047,781

Prospectuses and application forms can be obtained from:—

NATIONAL WESTMINSTER BANK LIMITED,
New Issues Department, P.O. Box No. 79, Drapers Gardens, 12, Throgmorton Avenue, London, EC2P 2BD, and principal branches.

DE ZOETE & BEVAN,
25, Finsbury Circus, London, EC2M 7EE.

GRIEVESON, GRANT AND CO.,
P.O. Box No. 191, 59 Gresham Street, London, EC2P 2DS.

BOROUGH TREASURER,
P.O. Box No. 4, The Council House, Corporation Street, Derby DE1 2FE.

The Council House, Corporation Street, Derby, DE1 2FE.
14th July, 1975

By Order of the Council,
E. PRESTON, Borough Secretary.
E. E. WALDER, Borough Treasurer.

The List of Applications will open at 10 a.m. on Thursday, 17th July, 1975 and close on the same day.

APPLICATION FORM for

Borough of Derby 13½ per cent. Redeemable Stock, 1982

Issue of £7,000,000 Stock at £98½ per cent.

To: NATIONAL WESTMINSTER BANK LIMITED,
New Issues Department, P.O. Box No. 79,
Drapers Gardens, 12, Throgmorton Avenue, London, EC2P 2BD.

I/We hereby apply for *£ .... (say .... pounds) of Borough of Derby 13½ per cent. Redeemable Stock, 1982, according to the conditions contained in the Prospectus dated 14th July, 1975 and undertake to accept the same or any less amount that may be allotted to me/us and to pay for the same in conformity with the terms of the said Prospectus. I/We request that any Letter of Allotment in respect of Stock allotted to me/us be sent to me/us by post at the first undermentioned address.

I/We enclose the required deposit of £ .... being £10 per cent. on the Nominal Amount applied for and warrant that the cheque attached hereto will be honoured on first presentation and agree that any allotment of Stock is made strictly on this understanding.

I/We declare that I am not/no one of us is resident outside the Scheduled Territories within the meaning of the Exchange Control Act 1947, and that I/we shall not be acquiring the Stock on behalf of, or as nominee(s) of, any person(s) resident outside those Territories.

.... July, 1975. SIGNATURE .... (1)

First Name(s) in full ....
Surname and designation (Mr., Mrs., Miss or Title) ....
Address in full ....

Please Use Block Letters
(The spaces below are for use in the case of joint applications)

SIGNATURE ....
First Name(s) in full ....
Surname and Designation (Mr., Mrs., Miss or Title) ....
Address in full ....

Please Use Block Letters.

SIGNATURE ....
First Name(s) in full ....
Surname and Designation (Mr., Mrs., Miss or Title) ....
Address in full ....

Please Use Block Letters.

* Applications must be for a minimum of £100 Stock or in multiples of £100 for applications up to £1,000 Stock.
Larger applications must be made in accordance with the following scale:—
Applications above £1,000 Stock and not exceeding £5,000 Stock in multiples of £500.
Applications above £5,000 Stock and not exceeding £20,000 Stock in multiples of £1,000.
Applications above £20,000 Stock in multiples of £5,000.

† If this Declaration cannot be made, it should be deleted and reference should be made to an Authorised Depositary or an Approved Agent in the Republic of Ireland through whom lodgment should be effected. Authorised Depositaries are listed in the Bank of England's Notice E.C.1, and include banks and stockbrokers in and solicitors practising in the United Kingdom, the Channel Islands or the Isle of Man. Approved Agents in the Republic of Ireland are defined in the Bank of England's Notice E.C.10.
The Scheduled Territories at present comprise: the United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland, and Gibraltar.

A SEPARATE CHEQUE MUST ACCOMPANY EACH APPLICATION FORM. NO APPLICATION WILL BE CONSIDERED UNLESS THIS CONDITION IS FULFILLED.

This form should be completed and sent to:—
NATIONAL WESTMINSTER BANK LIMITED, NEW ISSUES DEPARTMENT, P.O. BOX NO. 79, DRAPERS GARDENS, 12, THROGMORTON AVENUE, LONDON, EC2P 2BD with a cheque payable to National Westminster Bank Limited for the amount of the deposit. Cheques must be crossed "Derby Loan."
No receipt will be issued for cheques in this application but an acknowledgement will be forwarded by post in due course, either by Letter of Allotment, and/or by return of deposit.

GROUP GOLD MINING COMPANIES

(All companies are incorporated in the Republic of South Africa)

Reports of the directors for the quarter ended 30th June 1975

TRANSVAAL

VAAL REEFS EXPLORATION & MINING COMPANY LIMITED

ISSUED CAPITAL: 19 000 000 shares of 50 cents each

PLANNED PRODUCTION FOR THE YEAR ENDING 31ST DECEMBER 1975

Tonnage 6 010 000 Grade 10.6 grams per ton

	Quarter ended June 1975	Quarter ended Mar. 1975	6 months ended June 1975
OPERATING RESULTS			
GOLD			
Tons milled	1 552 000	1 324 000	2 876 000
Yield—g.t	10.28	9.31	9.83
Gold produced—kg	15 950	12 322	28 272
Revenue per ton milled	R34.66	R33.53	R34.14
Cost per ton milled	R19.39	R19.76	R19.56
Profit per ton milled	R15.27	R13.77	R14.58
Revenue	R53 793 000	R44 390 000	R98 183 000
Cost	R30 099 000	R26 161 000	R56 260 000
Profit	R23 694 000	R18 229 000	R41 923 000
URANIUM OXIDE			
Tons treated	900 000	841 000	1 741 000
Yield—kg/t	0.25	0.23	0.24
Oxide produced—kg	225 237	197 094	422 331
Profit (Loss) on sales	R1 073 000	R230 000	R1 303 000
FINANCIAL RESULTS			
Working profit—Gold	R23 694 000	R18 229 000	R41 923 000
Profit (Loss) on sale of— Uranium Oxide	1 073 000	230 000	1 303 000
Sulphuric Acid	15 000	17 000	32 000
Net sundry revenue	415 000	1 025 000	1 440 000
	25 197 000	19 501 000	44 698 000
Deduct: Royalty to Southvaal Holdings Limited—estimated	994 000	346 000	1 340 000
Profit before taxation and State's share of profit	24 203 000	19 155 000	43 358 000
Taxation and State's share of profit—estimated	8 794 000	6 919 000	15 713 000
Profit after tax and State's share—estimated	R15 409 000	R12 236 000	R27 645 000
Capital expenditure	R7 538 000	R5 695 000	R13 233 000
Dividends declared—amount	R14 250 000	—	R14 250 000
—per share	75 cents	—	75 cents

CONSOLIDATED PROFIT

Estimated consolidated profit after taxation and State's share of profit of the company and its wholly-owned subsidiary, Western Reefs Exploration and Development Company Limited	R15 402 000	R12 252 000	R27 654 000

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold value g/t	uranium value kg/t	gold cm.g/t	uranium cm.kg/t
Vaal reef Shaft area							
No. 1 (North)	1 596	288	26.4	60.27	1.60	1 591	42.31
No. 2 (North)	3 359	566	40.1	67.71	1.06	2 715	42.37
No. 3 (North)	2 936	434	20.1	61.99	2.49	1 246	50.04
No. 4 (North)	4 471	738	17.0	73.25	1.80	1 245	30.56
No. 5 (North)	417	—	—	—	—	—	—
No. 1 (South)	8 429	1 282	71.6	35.47	0.90	2 540	64.40
Quarter ended June 1975	21 208	3 314	43.3	46.81	1.14	2 027	49.38
Quarter ended March 1975	15 076	2 236	48.8	41.52	1.47	2 026	71.59
6 months ended June 1975	36 284	5 550	45.5	44.68	1.28	2 027	58.37
"C" reef No. 1 (South)							
Quarter ended June 1975	325	52	9.8	73.96	1.50	725	14.72
Quarter ended March 1975	271	18	14.0	57.64	2.69	807	37.61
6 months ended June 1975	596	70	10.9	68.44	1.89	746	20.61

CAPITAL EXPENDITURE

Estimated expenditure for the year ending 31st December 1975 remains unchanged at R29 000 000.

Orders placed and outstanding on capital expenditure contracts as at 30th June 1975 totalled R13 614 000.

VAAL REEFS SOUTH

Included in the above are the following figures in respect of the South Lease Area:

PLANNED PRODUCTION FOR THE YEAR ENDING 31ST DECEMBER 1975

Tonnage 1 380 000 Grade 11.6 grams per ton

	Quarter ended June 1975	Quarter ended Mar. 1975	6 months ended June 1975
OPERATING RESULTS			
Tons milled	376 000	241 000	617 000
Yield—g/t	11.22	10.57	10.97
Gold produced—kg	4 218	2 548	6 766
Revenue per ton milled	R36.56	R38.21	R37.20
Cost per ton milled	R19.51	R23.48	R21.06
Profit per ton milled	R17.05	R14.73	R16.14
Revenue	R13 747 000	R9 208 000	R22 955 000
Cost	R7 334 000	R5 659 000	R12 993 000
Profit	R6 413 000	R3 549 000	R9 962 000
Capital expenditure	R4 188 000	R2 961 000	R7 149 000

DEVELOPMENT—SOUTH LEASE AREA

	Advance metres	Sampled metres	channel width cm	gold value g/t	uranium value kg/t	gold cm.g/t	uranium cm.kg/t
Vaal reef							
Quarter ended June 1975	8 429	1 282	71.6	35.47	0.90	2 540	64.40
Quarter ended March 1975	5 592	606	78.1	34.37	1.17	2 684	91.05
6 months ended June 1975	14 021	1 888	73.7	35.09	0.99	2 586	72.95
"C" reef							
Quarter ended June 1975	325	52	9.8	73.96	1.50	725	14.72
Quarter ended March 1975	271	18	14.0	57.64	2.69	807	37.61
6 months ended June 1975	596	70	10.9	68.44	1.89	746	20.61

CAPITAL EXPENDITURE

Estimated expenditure for the year ending 31st December 1975 is R17 000 000 (previously R18 000 000).

Orders placed and outstanding on capital expenditure contracts as at 30th June 1975 totalled R9 229 000.

For and on behalf of the board
W. R. LAWRIE } Directors
D. B. HOFFE

15th July 1975

SOUTHVAAL HOLDINGS LIMITED

The attention of shareholders is directed to the report of Vaal Reefs Exploration and Mining Company Limited, set out above.

WESTERN DEEP LEVELS LIMITED

ISSUED CAPITAL: 25 000 000 shares of R2 each

PLANNED PRODUCTION FOR THE YEAR ENDING 31ST DECEMBER 1975

Tonnage 3 150 000 (previously 3 240 000) Grade 15.0 grams per ton (previously 14.5)

	Quarter ended June 1975	Quarter ended Mar. 1975	6 months ended June 1975
OPERATING RESULTS			
GOLD			
Tons milled	804 500	710 500	1 515 000
Yield—g/t	15.27	16.27	15.27
Gold produced—kg	12 284	10 848	23 132
Revenue per ton milled	R53.60	R52.81	R53.23
Cost per ton milled	R19.91	R20.32	R20.10
Profit per ton milled	R33.69	R32.49	R33.13
Revenue	R43 121 000	R37 520 000	R80 641 000
Cost	R16 018 000	R14 436 000	R30 454 000
Profit	R27 103 000	R23 084 000	R50 187 000
URANIUM OXIDE			
Tons treated	165 000	150 000	315 000
Yield—kg/t	0.22	0.20	0.21
Oxide produced—kg	35 638	30 265	65 903
Profit (Loss) on sales	R151 000	(R11 000)	R140 000
FINANCIAL RESULTS			
Working profit—Gold	R27 103 000	R23 084 000	R50 187 000
Profit (Loss) on sale of Uranium Oxide	151 000	(11 000)	140 000
Net sundry revenue	1 195 000	759 000	1 954 000
Profit before taxation and State's share of profit	28 449 000	23 832 000	52 281 000
Taxation and State's share of profit—estimated	13 929 000	12 287 000	26 216 000
Profit after tax and State's share—estimated	R14 520 000	R11 548 000	R26 065 000
Capital expenditure	R5 135 000	R3 318 000	R8 453 000
Dividends declared—amount	R16 875 000	—	R16 875 000
—per share	67.5 cents	—	67.5 cents
SHAFT SINKING			
NO. 2 TERTIARY SUB-VERTICAL SHAFT			
Advance—metres	81.8	30.6	112.4
Depth to date—metres	617.8	536.0	617.8
Station cutting—metres	30.4	38.3	68.7

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold value g/t	uranium value kg/t	gold cm.g/t	uranium cm.kg/t
Carbon Leader Shaft area							
No. 2	3 737	34	24.3	205.76	2.93	5 000	71.22
No. 3	3 996	202	44.3	113.03	1.17	5 075	52.34
Quarter ended June 1975	7 733	236	42.8	118.39	1.27	5 067	54.34
Quarter ended March 1975	6 861	242	36.7	86.51	0.97	3 175	35.72
6 months ended June 1975	14 593	468	39.6	103.23	1.13	4 088	44.71
V.C.R. Shaft area							
No. 2	1 045	102	83.7	57.13	—	4 782	—
No. 3	667	140	41.0	37.63	—	1 543	—
Quarter ended June 1975	1 712	242	59.0	49.39	—	2 886	—
Quarter ended March 1975	1 787	196	103.2	24.28	—	2 503	—
6 months ended June 1975	3 499	438	78.8	34.61	—	2 727	—

CAPITAL EXPENDITURE

Estimated expenditure for the year ending 31st December 1975 is R18 000 000.

Orders placed and outstanding on capital expenditure contracts as at 30th June 1975 totalled R8 373 000.

ELANDSRAND GOLD MINING COMPANY LIMITED

A joint announcement by the company and Western Ultra Deep Levels Limited was published in the press on 20th June 1975, advising that the Honourable the Minister of Mines has agreed to grant a mining lease, covering a total area of approximately 2 618 hectares to the south and west of the Western Deep Levels mine and incorporating approximately 515 hectares of the south-western corner of the Western Deep Levels mining lease area. The lease, when granted, is to be ceded to Elandsrand Gold Mining Company Limited.

For and on behalf of the board
W. R. LAWRIE } Directors
D. B. HOFFE

15th July 1975

THE SOUTH AFRICAN LAND & EXPLORATION COMPANY LIMITED

ISSUED CAPITAL: 3 300 000 shares of 35 cents each

PLANNED PRODUCTION FOR THE YEAR ENDING 31ST DECEMBER 1975

Tonnage 980 000 (previously 1 100 000) Grade 4.8 grams per ton (previously 5.1)

	Quarter ended June 1975	Quarter ended Mar. 1975	6 months ended June 1975
OPERATING RESULTS			
Tons milled	252 000	233 000	485 000
Yield—g/t	4.94	4.81	4.88
Gold produced—kg	1 245	1 122	2 367
Revenue per ton milled	R17.02	R18.00	R17.49
Cost per ton milled	R16.24	R16.11	R16.18
Profit per ton milled	R0.78	R1.89	R1.31
Revenue	R4 290 000	R4 193 000	R8 483 000
Cost	R4 093 000	R3 753 000	R7 846 000
Profit	R197 000	R440 000	R637 000
FINANCIAL RESULTS			
Working profit—Gold	R197 000	R440 000	R637 000
State Assistance—estimated	22 000	—	22 000
Net sundry revenue	78 000	99 000	177 000
Profit before taxation and State's share of profit	297 000	539 000	836 000
Taxation and State's share of profit—estimated	15 000	34 000	49 030
Profit after tax and State's share—estimated	R282 000	R505 000	R787 000
Capital expenditure	R160 000	R182 000	R342 000
Dividends declared—amount	R248 000	—	R248 000
—per share	7.5 cents	—	7.5 cents

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	value g/t	cm.g/t
Quarter ended June 1975	2 468	1 614	37.5	9.51	348
Quarter ended March 1975	2 108	1 660	39.6	13.08	518
6 months ended June 1975	4 576	3 274	48.5	10.90	533

CAPITAL EXPENDITURE

Estimated expenditure for the year ending 31st December 1975 is R580 000.

Orders placed and outstanding on capital expenditure contracts as at 30th June 1975 totalled R77 000.

PUMPING OF EXTRANEOUS WATER

The company has been advised by the Government Mining Engineer of a proposed change of policy in terms of which certain of the costs incurred by the company in pumping extraneous water would cease to rank for reimbursement by the State. If this proposal is in fact implemented it will involve the company in meeting additional costs of the order of R300 000 per annum. This issue is still being discussed with the Department of Mines and pending a decision an adjustment has been effected in the costs for the year to date.

PRODUCTION

The shortage of labour, which persisted throughout the second quarter, has adversely affected results.

BOREHOLES W.5 AND W.7

Announcements were published in the press on 7th May 1975 regarding the final intersections of the Main Reef Leader in borehole W.7 and on 11th June 1975 regarding the initial intersections of the Main Reef Leader in borehole W.5.

For and on behalf of the board
N. F. OPPENHEIMER } Directors
W. R. LAWRIE

15th July 1975

EAST DAGGAFONTEIN MINES LIMITED

ISSUED CAPITAL: 3 730 000 shares of R1 each

PLANNED PRODUCTION FOR THE YEAR ENDING 31ST DECEMBER 1975

Tonnage 1 180 000 (previously 1 450 000) Grade 1.90 grams per ton (previously 1.63)

	Quarter ended June 1975	Quarter ended Mar. 1975	6 months ended June 1975
OPERATING RESULTS			
Tons milled	270 000	153 000	423 000
Yield—g/t	1.62	2.87	2.07
Gold produced—kg	437	440	877
Revenue per ton milled	R6.26	R12.78	R8.62
Cost per ton milled	R8.07	R12.24	R9.58
Profit (Loss) per ton milled	(R1.81)	R0.54	(R0.96)
Revenue	R1 689 000	R1 956 000	R3 645 000
Cost	R2 178 000	R1 873 000	R4 051 000
Profit (Loss)	(R489 000)	R83 000	(R406 000)
FINANCIAL RESULTS			
Working profit (Loss)—Gold	(R489 000)	R83 000	(R406 000)
State Assistance—estimated	*509 000	—	509 000
Net sundry revenue	22 000	15 000	37 000
Profit before taxation	42 000	98 000	140 000
Taxation—estimated	7 000	12 000	19 000
Profit after tax—estimated	R35 000	R86 000	R121 000
Capital expenditure	R244 000	R97 000	R341 000

(*Includes an amount of R91 000 received in respect of State Assistance for the quarter ended 31st March 1975).

CAPITAL EXPENDITURE

Estimated expenditure for the year ending 31st December 1975 is R385 000.

Orders placed and outstanding on capital expenditure contracts as at 30th June 1975 totalled R43 000.

PRODUCTION

An announcement was published in the press on 13th June 1975 stating that the directors of the company had decided that no interim dividend would be paid by the company for the year ending 31st December 1975.

It was also stated that technical difficulties in achieving the designed rate of throughput of material from the old Daggafontein No. 2 shaft waste rock dump were still being experienced, making it impossible to achieve the tonnage forecast for the year published in January 1975. Revised forecasts of tonnage and grade for the year ending 31st December 1975 are now stated above.

For and on behalf of the board
N. F. OPPENHEIMER } Directors
W. R. LAWRIE

15th July 1975

ORANGE FREE STATE

FREE STATE GEDULD MINES LIMITED

ISSUED CAPITAL: 10 000 000 shares of 50 cents each

PLANNED PRODUCTION FOR THE YEAR ENDING 30TH SEPTEMBER 1975

Tonnage 2 350 000 Grade 17.0 grams per ton

	Quarter ended June 1975	Quarter ended Mar. 1975	9 months ended June 1975
OPERATING RESULTS			
*Tons milled	588 000	579 000	1 744 000
Yield—g/t	16.82	17.10	17.12
Gold produced—kg	9 891	9 898	29 859
Revenue per ton milled	R60.12	R64.47	R61.30
Cost per ton milled	R16.21	R14.42	R14.74
Profit per ton milled	R43.91	R50.05	R46.56
Revenue	R35 348 000	R37 329 000	R106 914 000
Cost	R9 530 000	R8 350 000	R25 704 000
Profit	R25 818 000	R28 979 000	R81 210 000
FINANCIAL RESULTS			
Working profit—Gold	R25 818 000	R28 979 000	R81 210 000
Net sundry revenue	1 531 000	446 000	3 121 000
Profit before taxation and State's share of profit	27 349 000	29 425 000	84 331 000
Taxation and State's share of profit—estimated	16 388 000	19 185 000	53 538 000
Profit after tax and State's share—estimated	10 961 000	R10 240 000	30 793 000
Capital expenditure	R2 379 000	R920 000	R4 040 000
Dividends declared—amount	—	R17 000 000	R17 000 000
—per share	—	170 cents	170 cents
* Includes tonnage treated on a toll basis by Freddies Consolidated	36 000	26 000	35 000

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold value g/t	uranium value kg/t	gold cm.g/t	uranium cm.kg/t
Shaft area Basal reef							
No. 1	2 262	168	37.4	44.54	0.34	1 667	9.35
No. 2	2 503	344	17.5	82.57	0.56	1 445	9.73
No. 3	962	84	23.1	29.22	0.62	675	14.30
No. 4	1 325	166	34.1	110.79	0.53	3 778	18.09
Quarter ended June 1975	6 052	762	23.9	80.21	0.50	1 917	11.97
Quarter ended March 1975	6 096	450	27.0	81.41	0.38	2 198	10.29
9 months ended June 1975	19 051	1 798	22.7	86.04	0.46	1 953	10.38
Leader reef							
No. 4	220	52	212.3	7.96	0.31	1 690	66.30
Quarter ended June 1975	220	52	212.3	7.96	0.31	1 690	66.20
Quarter ended March 1975	419	222	213.2	6.52	0.23	1 391	48.43
9 months ended June 1975	767	312	210.0	6.67	0.24	1 401	51.44
Basal Pyrite Stringers							
Quarter ended June 1975	—	—	—	—	—	—	—
Quarter ended March 1975	2	—	—	—	—	—	—
9 months ended June 1975	97	84	183.1	3.46	0.03	633	5.39
Area under tribute from Western Holdings Limited Basal reef							
Quarter ended June 1975	73	40	58.2	25.61	0.11	1 408	5.85
9 months ended June 1975	73	40	58.2	25.61	0.11	1 408	5.85

DIVIDEND PAID

The dividend of 170 cents per share declared during the quarter ended 31st March, 1975 was paid on 15th May, 1975.

CAPITAL EXPENDITURE

Estimated expenditure for the year ending 30th September 1975 is R6 000 000.

Orders placed and outstanding on capital contracts as at 30th June 1975 totalled R3 299 000.

FREDDIES CONSOLIDATED MINES LIMITED

Attention is drawn to the report published in conjunction herewith on the operation of Freddies, all the issued shares in which are held in equal proportions by this company and Western Holdings Limited.

For and on behalf of the board
D. B. HOFFE } Directors
G. Y. NISBET

15th July 1975

FREE STATE SAAIPLAAS GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 28 100 000 (previously 12 481 870) shares of R1 each

PLANNED PRODUCTION FOR THE YEAR ENDING 30TH SEPTEMBER 1975

Tonnage 1 080 000 Grade 4.3 grams per ton

	Quarter ended June 1975	Quarter ended Mar. 1975	9 months ended June 1975
OPERATING RESULTS			
GOLD			
Mine production—tons milled	301 000	240 000	773 000
Yield—g/t	4.38	4.32	4.37
Gold produced—kg	1 319	1 037	3 375
Revenue per ton milled	R15.75	R18.90	R15.75
Cost per ton milled	R13.98	R13.72	R13.66
Profit per ton milled	R1.77	R5.18	R3.10
Revenue	R4 740 000	R4 537 000	R12 038 000
Cost	R4 208 000	R3 293 000	R10 559 000
Profit	R532 000	R1 244 000	R2 399 000
FINANCIAL RESULTS			
Working profit—Gold	R532 000	R1 244 000	R2 399 000
Profit on sale of Uranium Oxide	—	—	—
Net sundry revenue	804 000	329 000	1 513 000
Profit before taxation and State's share of profit	1 336 000	1 573 000	3 912 000
Taxation and State's share of profit—estimated	—	41 000 Cr.	—
Profit after tax and State's share—estimated	R1 336 000	R1 614 000	R3 912 000
Capital expenditure	R1 309 000	R1 810 000	R4 093 000
Estimated share issue expenses	—	—	R1 033 000
Tonnage treated for President Brand on a toll basis	126 600	119 500	380 800
Tonnage milled and treated for President Steyn on a toll basis	—	75 000	150 000

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold value g/t	uranium value kg/t	gold cm.g/t	uranium cm.kg/t
Basal Reef							
Quarter ended June 1975	1 163	330	112.8	4.37	0.14	495	16.30
Quarter ended March 1975	965	192	91.8	11.33	0.38	1 040	34.86
9 months ended June 1975	3 202	716	106.2	6.96	0.22	739	22.84

CAPITAL EXPENDITURE

Estimated expenditure for the year ending 30th September 1975 is R8 000 000 (previously R10 000 000).

Orders placed and outstanding on capital contracts as at 30th June 1975 totalled R7 373 000.

EXPANSION OF OPERATIONS

Work on the new No. 3 shaft is proceeding satisfactorily. During the past quarter pre-cementation for the sinking of the shaft continued and the two holes SPC1 and SPC2 reached the depths of 994 metres and 1 003 metres, below surface, respectively. Pre-sinking has been completed to a final depth of 39 metres below the shaft collar and the installation of the headgear steelwork is now in progress.

OFFER OF SHARES AND CAPITALISATION ISSUE

An announcement was published in the press on 10th April 1975 giving the results of the recent rights offer by this company to stock holders of President Brand Gold Mining Company Limited.

With the allotment of the 14 040 000 shares subscribed for in terms of the offer and the capitalisation issue to the holding company, President Brand Gold Mining Company Limited, of 1 568 130 shares, the company's issued capital is now R28 100 000 in 28 100 000 shares of R1 each fully paid of which 50.04% is held by the holding company.

For and on behalf of the board
G. Y. NISBET } Directors
D. B. HOFFE

15th July 1975

FREDDIES CONSOLIDATED MINES LIMITED

ISSUED CAPITAL: 1 000 shares of R2 each

PLANNED PRODUCTION FOR THE YEAR ENDING 30TH SEPTEMBER 1975

Tonnage 750 000 (previously 850 000) Grade 5.0 grams per ton.

	Quarter ended June 1975	Quarter ended Mar. 1975	9 months ended June 1975
OPERATING RESULTS			
Tons milled	195 000	192 000	565 500
Yield—g/t	5.35	5.10	5.23
Gold produced—kg	1 043	980	2 958
Revenue per ton milled	R19.87	R21.03	R21.79
Cost per ton milled	R20.06	R18.21	R18.92
Profit (Loss) per ton milled	(R0.19)	R2.82	R2.87
Revenue	R3 875 000	R4 037 000	R12 321 000
Cost	R3 913 000	R3 496 000	R10 702 000
Profit (Loss)	(R38 000)	R541 000	R1 619 000
FINANCIAL RESULTS			
Working profit (Loss)—Gold	(R38 000)	R541 000	R1 619 000
Net sundry revenue	240 000	142 000	677 000
Profit before taxation	202 000	683 000	2 296 000
Taxation—estimated	—	—	—
Profit after tax—estimated	R202 000	R683 000	R2 296 000
Capital expenditure	R777 000	R1 168 000	R3 149 000
Tonnage treated for Free State Geduld on a toll basis	36 000	88 000	59 000

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold value g/t	uranium value kg/t	gold cm.g/t	uranium cm.kg/t
Basal reef							
Quarter ended June 1975	2 099	354	49.6	16.47	0.25	817	12.20
Quarter ended March 1975	2 004	332	40.4	27.13	0.32	1 096	12.86
9 months ended June 1975	6 027	852	43.2	22.46	0.29	969	12.67
Elsburg reef							
Quarter ended June 1975	178	16	130.5	3.73	0.25	487	32.96
Quarter ended March 1975	97	58	180.3	4.23	0.14	762	25.30
9 months ended June 1975	382	310	116.8	3.41	0.18	398	21.19
Kimberley reef							
Quarter ended June 1975	2 381	424	213.2	2.80	0.04	596	7.58
Quarter ended March 1975	2 005	318	231.8	6.43	0.04	1 490	9.75
9 months ended June 1975	7 359	1 148	213.2	4.83	0.04	1 030	7.68

CAPITAL EXPENDITURE

Estimated expenditure for the year ending 30th September 1975 is R4 000 000.

Orders placed and outstanding on capital contracts as at 30th June 1975 totalled R1 070 000.

PRODUCTION

Planned build-up in tonnage has been affected by the delay in commissioning additional hoisting facilities at No. 1 shaft.

For and on behalf of the board
D. B. HOFFE } Directors
G. Y. NISBET

15th July 1975

PRESIDENT BRAND GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 14 040 000 units of stock of 50 cents each

PLANNED PRODUCTION FOR THE YEAR ENDING 30TH SEPTEMBER 1975

Tonnage 2 800 000 Grade 13.0 grams per ton (Includes 548 000 tons to be treated by Free State Saaiplaas on a toll basis)

	Quarter ended June 1975	Quarter ended Mar. 1975	9 months ended June 1975
OPERATING RESULTS			
*Tons milled	725 000	648 000	2 121 000
Yield—g/t	13.66	14.17	13.82
Gold produced—kg	9 905	9 184	29 302
Revenue per ton milled	R46.58	R54.05	R48.86
Cost per ton milled	R17.39	R17.43	R16.47
Profit per ton milled	R29.19	R36.62	R32.39
Revenue	R33 772 000	R35 022 000	R103 632 000
Cost	R12 606 000	R11 294 000	R34 923 000
Profit	R21 166 000	R23 728 000	R68 709 000
FINANCIAL RESULTS			
Working profit—Gold	R21 166 000	R23 728 000	R68 709 000
Net sundry revenue	1 184 000	582 000	2 771 000
Profit before taxation and State's share of profit	22 350 000	24 310 000	71 480 000
Taxation and State's share of profit—estimated	11 551 000	13 768 000	39 173 000
Profit after tax and State's share—estimated	R10 799 000	R10 542 000	R32 307 000
Capital expenditure	R2 684 000	R1 631 000	R6 292 000
Dividends declared—amount	—	R17 550 000	R17 550 000
—per unit of stock	—	125 cents	125 cents
* Includes tonnage treated on a toll basis by Free State Saaiplaas	126 600	119 500	380 800

CONSOLIDATED PROFIT

Estimated consolidated profit after taxation and State's share of profit of the company and its subsidiary, Free State Saaiplaas Gold Mining Company Limited	*R11 389 000	R12 156 000	R36 843 000

(*after allowing for minority shareholders' interest)

The attention of members is drawn to the report on the operations of Free State Saaiplaas published in conjunction herewith.

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold value g/t	uranium value kg/t	gold cm.g/t	uranium cm.kg/t
Shaft area Basal reef							
No. 1	347	85	53.8	101.81	0.40	5 477	21.44
No. 2	3 054	538	36.6	45.16	0.38	1 653	13.96
No. 3	2 630	394	10.7	142.15	1.59	1 521	17.02
No. 4	3 781	340	99.0	25.85	0.11	2 554	10.75
Quarter ended June 1975	9 812	1 338	45.7	46.00	0.32	2 102	14.69
Quarter ended March 1975	6 968	1 056	52.9	44.67	0.35	2 363	18.31
9 months ended June 1975	23 824	3 810	48.2	46.08	0.33	2 257	16.25
Shaft area Leader reef							
No. 1	792	364	148.2	4.80	0.19	712	28.88
No. 2	44	30	35.6	5.03	0.09	180	3.11
No. 3	12	—	—	—	—	—	—
Quarter ended June 1975	848	394	139.6	4.81	0.19	672	26.80
Quarter ended March 1975	492	120	152.2	3.82	0.13	581	20.18
9 months ended June 1975	1 909	618	135.4	4.78	0.19	647	25.62
Area under tribute from President Steyn G. M. Co. Ltd. Basal reef							
Quarter ended June 1975	380	48	39.8	82.39	0.36	3 279	14.28
Quarter ended March 1975	325	104	32.3	61.61	0.45	1 990	14.58
9 months ended June 1975	1 286	242	34.3	68.78	0.47	2 359	16.09

DIVIDEND PAID

The dividend of 125 cents per unit of stock declared during the quarter ended 31st March, 1975 was paid on 16th May, 1975.

CAPITAL EXPENDITURE

Estimated expenditure for the year ending 30th September 1975 is R9 000 000.

Orders placed and outstanding on capital contracts as at 30th June 1975 totalled R5 279 000.

EXPANSION OF OPERATIONS AT FREE STATE SAAIPLAAS GOLD MINING COMPANY LIMITED

Work on the new No. 3 shaft is proceeding satisfactorily. During the past quarter pre-cementation for the sinking of the shaft continued and the two holes SPC1 and SPC2 reached the depths of 994 metres and 1 003 metres, below surface, respectively. Pre-sinking has been completed to a final depth of 39 metres below the shaft collar and the installation of the headgear steelwork is now in progress.

For and on behalf of the board
D. B. HOFFE } Directors
G. Y. NISBET

15th July 1975

PRESIDENT STEYN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 14 000 000 shares of 50 cents each

PLANNED PRODUCTION FOR THE YEAR ENDING 30TH SEPTEMBER 1975

Tonnage 2 700 000 (previously 2 850 000) Grade 10.5 grams per ton (Includes 150 000 tons milled and treated by Free State Saaiplaas on a toll basis)

	Quarter ended June 1975	Quarter ended Mar. 1975	9 months ended June 1975
OPERATING RESULTS			
*Tons milled	675 000	640 000	1 982 000
Yield—g/t	10.52	11.11	10.85
Gold produced—kg	7 103	7 112	21 506
Revenue per ton milled	R36.80	R42.53	R38.71
Cost per ton milled	R18.49	R18.69	R17.87
Profit per ton milled	R18.31	R23.84	R20.84
Revenue	R24 839 000	R27 218 000	R76 731 000
Cost	R12 479 000	R11 960 000	R35 422 000
Profit	R12 360 000	R15 258 000	R41 309 000
FINANCIAL RESULTS			
Working profit—Gold	R12 360 000	R15 258 000	R41 309 000
Net sundry revenue	1 077 000	528 000	2 360 000
Profit before taxation and State's share of profit	13 437 000	15 786 000	43 669 000
Taxation and State's share of profit—estimated	3 611 000	7 376 000	17 405 000
Profit after tax and State's share—estimated	R9 826 000	R8 410 000	R26 264 000
Capital expenditure	R6 197 000	R3 086 000	R11 866 000
Dividends declared—amount	—	R8 400 000	R8 400 000
—per share	—	60 cents	60 cents
* Includes tonnage milled and treated on a toll basis by Free State Saaiplaas	—	75 000	150 000

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold value g/t	uranium value kg/t	gold cm.g/t	uranium cm.kg/t
Shaft Area Basal reef							
No. 1	1 571	136	13.0	128.77	2.72	1 676	35.32
No. 2	1 922	240	23.4	43.72	1.07	1 023	25.06
No. 4	4 410	690	42.7	52.95	0.23	2 261	9.90
Quarter ended June 1975	7 903	1 066	34.5	55.28	0.48	1 907	16.59
Quarter ended March 1975	7 981	1 290	36.5	48.52	0.51	1 771	18.67
9 months ended June 1975	24 770	3 504	35.6	52.05	0.54	1 853	19.33
Leader reef							
No. 2	179	92	160.7	2.33	0.17	374	27.21
No. 4	—	4	144.0	1.78	0.09	257	12.72
Quarter ended June 1975	179	96	160.0	2.31	0.17	369	26.60
Quarter ended March 1975	25	6	104.7	5.23	0.16	548	16.94
9 months ended June 1975	249	120	148.4	2.96	0.17	439	25.74
Area under tribute to and developed by President Brand G.M. Co. Ltd. Basal reef							
Quarter ended June 1975	380	48	39.8	82.39	0.36	3 279	14.28
Quarter ended March 1975	325	104	32.3	61.61	0.45	1 990	14.58
9 months ended June 1975	1 286	242	34.3	68.78	0.47	2 359	16.09

DIVIDEND PAID

The dividend of 60 cents per share declared during the quarter ended 31st March, 1975 was paid on 16th May, 1975.

CAPITAL EXPENDITURE

Estimated expenditure for the year ending 30th September 1975 is R20 000 000 (previously R22 500 000).

Orders placed and outstanding on capital contracts as at 30th June 1975 totalled R11 874 000.

NO. 4 SUB-VERTICAL SHAFT SYSTEM

Preparatory work for the commencement of sinking operations is progressing satisfactorily. Installation of temporary winders is nearing completion and sliping of the shaft has progressed to 15.3 metres below 69 level.

ELECTRIC POWER SUPPLY

Delay in the supply of additional electric power to the No. 4 shaft is affecting the planned build-up of production at the mine.

For and on behalf of the board
G. Y. NISBET } Directors
D. B. HOFFE

15th July 1975

WELKOM GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 12 250 000 shares of 50 cents each
PLANNED PRODUCTION FOR THE YEAR ENDING 30TH SEPTEMBER 1975
Tonnage 2 130 000 Grade 6.5 grams per ton

OPERATING RESULTS	Quarter ended June 1975	Quarter ended Mar. 1975	9 months ended June 1975
Tons milled	815 000	817 000	1 553 000
Yield—g/t	[illegible]	[illegible]	6.75
Gold produced—kg	[illegible]	[illegible]	10 528
Revenue per ton milled	[illegible]	[illegible]	R24.98
Cost per ton milled	[illegible]	[illegible]	R15.98
Profit per ton milled	[illegible]	[illegible]	R9.00
Revenue	[illegible]	[illegible]	[illegible]
Cost	[illegible]	[illegible]	[illegible]
Profit	[illegible]	[illegible]	[illegible]
FINANCIAL RESULTS			
Working profit—Gold	[illegible]	[illegible]	[illegible]
Net sundry revenue	[illegible]	[illegible]	1 036 000
Profit before taxation and State's share of profit	[illegible]	[illegible]	[illegible]
Taxation and State's share of profit—estimated	[illegible]	[illegible]	[illegible]
Profit after tax and State's share—estimated	[illegible]	[illegible]	[illegible]
Capital expenditure	[illegible]	[illegible]	[illegible]
Dividends declared—amount —per share	[illegible]	[illegible]	30 cents

DEVELOPMENT

	Advance metres	metres	channel width cm	gold value g/t	uranium value kg/t	gold cm.g/t	uranium cm.kg/t
Quarter ended June 1975	3 934	344	14.6	[illegible]	[illegible]	[illegible]	16.23
Quarter ended March 1975	4 412	348	14.8	[illegible]	[illegible]	[illegible]	16.34
9 months ended June 1975	12 768	1 483	15.1	[illegible]	[illegible]	[illegible]	14.32
Quarter ended June 1975	391	132	130.9	[illegible]	[illegible]	[illegible]	5.55
Quarter ended March 1975	384	108	136.9	[illegible]	[illegible]	[illegible]	9.25
9 months ended June 1975	759	312	131.1	[illegible]	[illegible]	[illegible]	8.11
Leader reef No. 3	188	144	104.3	[illegible]	[illegible]	[illegible]	10.35
Quarter ended June 1975	188	144	104.3	[illegible]	[illegible]	[illegible]	10.35
Quarter ended March 1975	150	64	33.5	[illegible]	[illegible]	[illegible]	8.32
9 months ended June 1975	445	308	79.1	[illegible]	[illegible]	[illegible]	9.72

DIVIDEND PAID
The dividend of 30 cents per share declared during the quarter ended 31st March, 1975 was paid on 16th May, 1975.

CAPITAL EXPENDITURE
Estimated expenditure for the year ending 30th September 1975 is R3 000 000 (previously R5 000 000). Orders placed and outstanding on capital contracts as at 30th June 1975 totalled R1 803 000.

For and on behalf of the board
D. B. HOFFE
G. Y. NISBET
Directors

15th July 1975

WESTERN HOLDINGS LIMITED

ISSUED CAPITAL: 7 496 376 shares of 50 cents each
PLANNED PRODUCTION FOR THE YEAR ENDING 30TH SEPTEMBER 1975
Tonnage 2 900 000 Grade 14.0 grams per ton

[illegible]

DIVIDEND PAID
The dividend of 225 cents per share declared during the quarter ended 31st March, 1975 was paid on 16th May 1975.

CAPITAL EXPENDITURE
Estimated expenditure for the year ending 30th September 1975 is R7 000 000. Orders placed and outstanding on capital contracts as at 30th June 1975 totalled R1 972 000.

FREDDIES CONSOLIDATED MINES LIMITED
Attention is drawn to the report published in conjunction herewith on the operations of Freddies Consolidated, all the issued shares in which are held in equal proportions by this company and Free State Geduld Mines Limited.

For and on behalf of the board
D. B. HOFFE
G. Y. NISBET
Directors

15th July 1975

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED

NOTE:

Development values represent actual results of sampling, no allowance having been made for adjustments necessary in estimating ore reserves.

Copies of these reports will be available on request from the offices of the transfer secretaries:

Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

LONDON OFFICE:
40 HOLBORN VIADUCT, EC1P 1AJ

COMPANY NEWS

Magnet Joinery sees turnover increase

DEPOT SALES of Magnet Joinery *for the first four months of the* current year are £8.64m. compared with £9.35m., but it has to be remembered that the comparison is with the good part of last year, chairman Mr. J. T. Duxbury tells members in his annual statement.

Currently, window sales are at a satisfactory level and this means that demand for other products, principally doors and cupboards, should follow and Mr. Duxbury says he expects that turnover for the full year will exceed last year providing that the country's economy does not take a violent turn for the worse. Next year must be viewed with extreme caution, he adds.

As known, profit before tax for the year to February 28, 1975 declined from £6.97m. to £5.17m. and the dividend is raised from 2.5729p to 2.7351p net.

During the year cash flow amounted to £5.63m., being made *up of £4.88m. profit after tax plus* depreciation of £739,538 and minorities of £7,567.

The factory at Grays, Essex, was closed, which enabled the company to concentrate production at *its manufacturing* unit at Keighley.

Meeting, Bradford on August 4, *at 11.30 a.m.*

● comment

Magnet's balance-sheet emerges from a gruelling year in surprisingly good shape. Stocks—up by £2.7m. to £11.4m.—are 30 per cent. higher but debtor/creditor ratios have been kept on a tight rein, and Magnet's net cash position a year ago has actually been improved upon. If demand allows *production to rise towards the* end of 1975, unit cost—which gained last year from the Essex plant closure—are going to fall further, though *for its part* Magnet continues to take a cautious view of volume prospects in 1976. However, at 107p a yield of 4 per cent. is presently covered seven times.

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims: C.S.C. Investment Trust, General Consolidated Investment Trust, Glass Glover, Mann and Overton, Meggitt Holdings, Nottingham Patent Brick, Romney Trust, Scottish Northern Investment Trust, Stanneylands, Thermal Syndicate.

Finals: Bogod-Pelepah, H. P. Bulmer, Emu Wine, F.M.C., Howden Group, Moorgate Investment, Richardsons Westgarth, Stephen Smith, Stanhope General Investment, Wilkinson Match, Wright-Scriven.

FUTURE DATES

Interims—	
Kershaw (A.)	July 21
Leslie and Godwin	July 28
Rank Organisation	July 21
Smallshaw (R.) (Knitwear)	July 29
Finals—	
Andersons' Rubber	July 17
Clifton Investments	July 16
Danae Investment Trust	July 21
Dowty	July 21
Dyson (J. and J.)	Aug. 1
Keyser Ullmann	July 16
Lee Cooper	*July 16*
Peachey Property	July 17
Preedy (Alfred)	*July 28
Saint Piran	July 25
Sorec	July 29
Truscon	July 17
Western Board Mills	July 24

* Amended.

Brook Street confident

Confidence that the first half *profit forecast of over £0.5m.* would be met, and optimism about the second half were expressed by Mr. Eric Hurst, Joint chairman of Brook Street Bureau of Mayfair, at the company's annual meeting.

In a reference to the Employment Agencies Bill, he said this was "in effect a charter for the industry so that any conceivable political risk that might have seemed possible three years ago will be totally eliminated."

Meeting Page 18

Jackson & Steeple well placed

When the upturn in trade comes Jackson and Steeple, the cotton weaving group, will be in a good position to take advantage of it, says acting chairman Mr. W. J. Beggs.

Every possible way to improve the group's trading position in the current year is being looked at, but, as yet, there is no sign of an upturn in industry, nor in the general economy.

As reported July 8, group pre-tax *profits slumped from £481,027* to £44,143. Following the indication last October of a first half profit of around £100,000, the group was badly affected in the second six months by the general recession.

This, Mr. Beggs explains, brought about short-time working and the general economic depression, especially in the car industry, also had a serious effect on the amount of business dealt with by the finishing side of the company.

Meeting, Manchester, August 8, at noon.

Chairman's Statement Page 18

Improved stocks at A.D. Intl.

In spite of some difficulties in obtaining raw materials during 1974 the availability of stocks at A.D. International has been improved in many important areas; consequently the group is now better placed to meet the continuing build-up of world demand *for dental products, according to* Mr. P. L. Burgin, chairman.

He tells members in his annual statement that he is confident that the group *can achieve* very significant growth in the years to come. The new equipment range in France is already capturing a greater share of the market and new chemical products being launched this year are also expected to make "a significant impact in world markets."

The changed economic climate has made the disposal of the freehold interest in the group's headquarters building more difficult, he says, *while this is being* actively pursued the factory reorganisation has meen modified to achieve maximum expansion with a minimum of capital investment on a leasing basis which will not be dependent upon the cash flow resulting from the disposal of the headquarters building.

The Monopolies and Mergers Commission has reported that in its view an offer by Dentsply International Inc. for the capital *of A.D. International would not be* contrary to the public interest. The directors anticipate the resumption of negotiations in the near future.

As reported on July 3 pre-tax profit improved from £2.51m. to a record £2.96m. in 1974. Dividends are up from 2.185p to 2.27p net.

A split of trading profit—£3.6m. (£2.82m.)—shows: U.K. £1.6m. (£1.26m.), Europe £1.1m. (£0.89m.), North America £423,000 (£275,000), Africa £102,000 (94,000), Australasia £377,000 (£302,000).

BOC International Ltd. Group holds 17.6 per cent. of the issued.

Meeting, 40 Broadwick St., W., on August 7 at noon.

KIRKSTALL FORGE

The listing of Kirkstall Forge Engineering 5 per cent. Cum. preference shares has been cancelled. The market capitalisation and shareholding position is such that an adequate market in the security cannot be maintained.

EXHIBITIONS

ROYAL TOURNAMENT, Earls Court (01-371 8141). July 16th-August 2nd (not Suns.) 2.30 p.m. (EXCEPT July 16th, 21st and 28th) and 7.30 p.m. £2.50 to 70p. Unreserved 50p.

BROWN & TAWSE

Steel and Tube Stockholders and Processors

Record sales and profits for sixth successive year

In his Statement to shareholders the Chairman, Mr. S. Douglas Rae, reports that profits before tax for the year to 31st March, 1975 increased from £1,937,000 to £2,047,000 on sales of £25,961,000 for the year. The maximum permitted increase in the dividend is recommended.

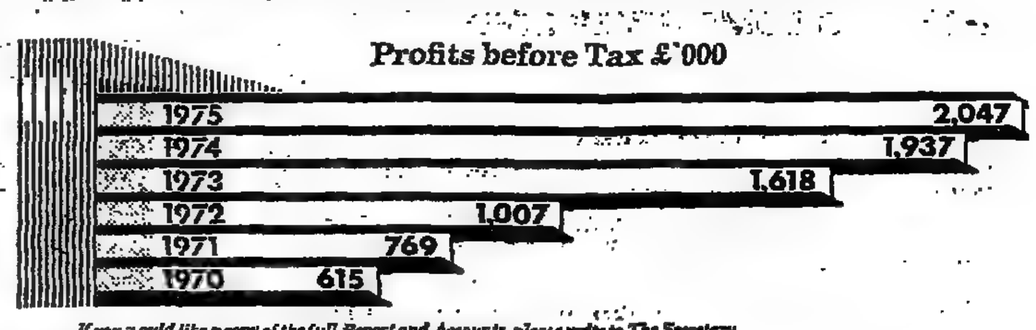
These results were achieved despite rising steel prices, higher costs, a mandatory 10% reduction in the reference levels of gross profit margins and a weakening demand for steel. All things considered, profitability has been well maintained.

Looking ahead to prospects for the current year he says:

"Demand for Steel has continued to decline as the current recession deepens, and I do not anticipate that the recovery in the Steel trade will get under way until well into 1976.

Under today's conditions, any forecast for the current year is extremely dificult. The basic strength of the Group derives from our wide range of steel and tube products, and it is encouraging that Sales and Profits for the first three months have held up well.

In order that we may take full advantage of the upturn which will surely come, appropriate capital investment in warehouses and offices is proceeding."



If you would like a copy of the full Report and Accounts, please write to The Secretary, Brown & Tawse Limited, St. Leonards Street, London E3 3JQ.

TEL AVIV STOCK EXCHANGE

Company	Prices July 15 1975	Change on the week	Company	Prices July 15 1975	Change on the week
			Investment Companies		
Banking, Insurance and Finance			Bank Leumi Invest	177	+11
Bank Leumi Le Israel	218	+1	Discount Bank Invest Br.	189.5	+8
I.D.B. Bankholding	216	−1	"CLAL" Israel Invest	192	−6
Bank Hapoalim Br.	222	—	"CLAL" Industries	137	+12
Union Bank of Israel Br.	257	+25	**Commercial and Industrial**		
United Mizrachi Bank	157.5	+1	Alliance Tire & Rubber	471	−51
Hassneh Insurance Br.	518	+15	Elco Br.	175.5	+15.5
Wolfson Clore Mayer Br.	95.5	+10	Argaman Textile Br.	301	+26
General Mtge. Bank Br.	214	+13	"Ata" Textile "B"	128	+13.5
"Tefahot" Israel Mort Bank Br.	288xr	+6	Dubek Br.	452	−5
			Elec. Wire & Cable Br.	155	+14
			Solel Boneh 10% Pref. Br.	165	−1
			American Israeli Paper Mills	298	+6
			Assis	255	+6
			Tall Manuf. of Plywood Br.	118	+7.5
Land Development			Elite	264	+14
Africa Israel Invest. £10	304	+18	Polygon	159	+8
Israel Land Devel Br.	120	+10.5			
Property and Building	219	+9	**Fuel and Oil**		
Melsdrin	210	+22	Delek	198	+10.5
Public Utility			Oltzar Hityashvuth Reg.	—	—
Israel Electric Corp.	178	+25.5	Bearer	—	—

Source: Bank Leumi Le Israel, Tel Aviv.

JOHANNESBURG CONSOLIDATED INVESTMENT GROUP

(All companies mentioned are incorporated in the Republic of South Africa)

Office of the London Secretaries: 27, Austin Friars, London EC2N 2EY

MINING COMPANIES' REPORTS FOR THE QUARTER ENDED 30th JUNE, 1975 WITH COMPARATIVE FIGURES FOR THE PREVIOUS QUARTER

THE RANDFONTEIN ESTATES GOLD MINING COMPANY, WITWATERSRAND, LIMITED

ISSUED CAPITAL: [illegible] (Divided into [illegible] shares of R2 each, fully paid)

OPERATING RESULTS

[illegible]

	Quarter ended 30th June, 1975	Quarter ended 31st March, 1975	Six months ended 30th June, 1975
Capital expenditure	R3,915	R2,118	R6,033
Dividends declared	Nil	Nil	Nil

NOTE: A provision for taxation is not required as the company has an estimated loss for tax purposes.

COOKE SECTION
NO. 1 SHAFT SYSTEM
Development

	Quarter ended 30th June, 1975	Quarter ended 31st March, 1975	Six months ended 30th June, 1975
Advanced—metres	2,597	2,252	4,849
Sampling results: Sampled—metres	543	[illegible]	1,053
Channel width—centimetres	189	206	197
Ave. value—grams/ton	19.2	19.7	19.5
—centimetre-grams	3,629	4,058	3,842

The reef development values shown in the above tabulation are the actual results of sampling development work on reef. No allowance has been made for modifications which may be necessary when computing ore reserves.

Rock Hoist—Main Shaft
As a result of an electrical failure of the rock hoist motor generator set on 3rd July, 1975 it is expected that the tonnage milled in the month of July will be marginally reduced.

NO. 2 SHAFT SYSTEM
Shaft Sinking
The main shaft advanced from 785 metres to 867 metres and the ventilation shaft advanced from 801 metres to 888 metres during the quarter. 101 level station development from both shafts was completed. Development of 104 and 108 levels from the main shaft side is complete and will be resumed from the ventilation shaft when sinking of this shaft has been completed.

CAPITAL EXPENDITURE
Net expenditure on mining assets during the quarter amounted to R3,889,781 (including interest capitalised of R56,115). Other capital expenditure during the quarter amounted to R25,313 bringing the total net expenditure on capital account at 30th June, 1975 to R73,452,146 (including interest capitalised of R1,229,795). This total includes expenditure at Cooke Section amounting to R37,183,815. At 30th June, 1975 there were capital commitments *amounting to R2,892,000.*

OTJIHASE MINING COMPANY (PROPRIETARY) LIMITED

AUTHORISED CAPITAL: R12,000,000

PROGRESS REPORT

General Surface Work
Construction of the concentrator complex progressed satisfactorily although late delivery of steelwork caused some delay.
Work has commenced on the construction of the slimes dam and also on the lining of the ventilation shaft and installation of the main fans.

Mine Services
The Swawek main sub-station has been commissioned and work continues on the permanent distribution network of the electricity supply.
The first of the two main compressors has been brought into service.
The first two spurs of the railway siding at Hofmeyr have been completed, inspected and approved.

Accommodation
Accommodataion for the mine staff and labour force is nearing completion.

Underground Development
2,975 metres *of development were completed during the quarter. The rate of development was adversely* affected by a shortage of qualified miners.

CAPITAL EXPENDITURE
Capital expenditure during the quarter is estimated at R6,258,000, bringing the total of capital expenditure at 30th June, 1975 to approximately R22,808,000.
These figures are provisional and will be adjusted on completion of the audit of company's accounts for the year ended 30th June, 1975.

WESTERN AREAS GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: [illegible] (Divided into [illegible] units of stock of R1 each)

OPERATING RESULTS

[illegible]

The reef development values shown in the tabulation are the actual results of sampling development work on reef. No allowance has been made for modifications which may be necessary when computing ore reserves.

DEVELOPMENT TO S.V.3 SHAFT
Development towards the proposed S.V.3 shaft has been hampered by the intersection of water-bearing fissures. Progress to date in all ends has totalled 2,500 metres of which 405 metres was done during this quarter.

OPERATIONS
Reduced mill throughput was a direct result of the shortage in labour and had an adverse effect on working costs. The lower recovery grade is the result of mining to a lower cut-off value following the revaluation of the developed ore reserves.

CAPITAL EXPENDITURE
Net expenditure on mining assets during the quarter amounted to R2,160,163. Recoupments of other capital expenditure amounted to R9,913 bringing the total net expenditure on capital account at 30th June, 1975 to R207,917,715. At 30th June, 1975 there were capital commitments amounting to R4,279,000.

ELSBURG GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: R30,203,000
(Divided into 30,203,000 units of stock of R1 each)

RESULTS FOR THE QUARTER ENDED 30th JUNE, 1975
Stockholders are advised to study the operational results published by Western Areas Gold Mining Company Limited.

	Quarter ended 30th June, 1975	Quarter ended 31st March, 1975	Six months ended 30th June, 1975
DIVIDENDS DECLARED (R000's)	R3,926	Nil	R3,926

The Reports of Elsburg Gold Mining Company, Limited and Western Areas Gold Mining Company, Limited have been signed by Messrs. P. A. Von Wielligh and P. R. Wilton *on behalf of the Boards of those Companies.* The Report of The Randfontein Estates Gold Mining Company, Witwatersrand, Limited has been signed by Messrs. F. J. L. Wells and P. R. Wilton on behalf of the Board of that Company. The Report of Otjihase Mining Company (Proprietary) Limited has been signed by Messrs. H. Dalton-Brown and J. C. Linde on behalf of the Board of that Company.

Copies of the above Reports are obtainable from the London Secretaries:- Barnato Brothers Limited, 27, Austin Friars, London EC2N 2EY

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(In Receivership)

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The Receiver and Manager is offering for sale the assets of the company free from all encumbrances.

The factory is situated on a site of approximately 4 acres freehold in Gort, Co. Galway, 30 miles from Shannon International Airport.

The premises which is a single storied modern building occupies 16,000 sq. ft. with room for expansion. Two fully furnished modern bungalows are also available.

The plant and equipment, installed in late 1974, is of the most up to date design and includes complete filter and extraction plant.

For further details apply to:
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STRAND. 836 2660. Evenings 8.00. Mats. Thurs. 3.0. Sat. 5.30 and 8.30. DORIS HARE, LEO FRANKLYN, RICHARD CALDICOT, ANDREW SACHS NO SEX PLEASE, WE'RE BRITISH Directed by Allan Davis LONDON'S LONGEST LAUGHTER-HIT

TALK OF THE TOWN. 01-734 5051. From 8.15. Dining and Dancing. At 9.30 New Revue: SWEET TEMPTATION, and at 11 p.m. ROGER WHITTAKER

VAUDEVILLE. 836 9988. Fully air cond. Ev. 8.00. Mat. Tue 3.0. Sat. 5.30, 8.40. MILLICENT MARTIN, AMANDA BARRIE in ALAN AYCKBOURN'S ABSURD PERSON SINGULAR Best Comedy of Year. E. Std. Award '73.

VICTORIA PALACE. 01-834 1317. Evenings 8.0. Wed., Sat. 6.0, 8.45. MAX BYGRAVES in "SWINGALONGAMAX" Song and Laughter Spectacular with Great Company. MUST TERMINATE OCTOBER 25.

WESTMINSTER. 834 0283. Red. pr. prevs. from tonight 8. Opens July 22 at 7. Subs. 8. Sats. 5.15 & 8.30 Bristol Old Vic Musical Story of the Great "Gilbert & Sullivan" Partnership. TARANTARA! TARANTARA!

WHITEHALL. 930 6692-7765. Evgs. 8.30. Wed. and Sat. 6.15 and 8.45. PAUL RAYMOND presents THE CONFESSIONS OF A SEX STAR SNATCH 68 FANTASTIC HILARIOUS EROTIC ENTERTAINMENT

WIMBLEDON. 01-946 5211 ACTORS COMPANY SEASON Evenings at 7.30, Sats. 5 and 8.15. THE PHANTOM OF THE OPERA Next week: Tartuffe.

WINDMILL THEATRE. 437 6312. PAUL RAYMOND presents LET'S GET LAID featuring JOHN INMAN—"ARE YOU BEING SERVED?" Twice Nightly at 7.00 and 9.00.

WYNDHAM'S. 836 3028. Mon.-Fri. 8. Sats. 5.0 and 8.0. JOHN GIELGUD RALPH RICHARDSON National Theatre Production HAROLD PINTER'S NO MAN'S LAND Directed by PETER HALL "GREAT ACTING AT ITS HIGHEST PITCH." EVENING NEWS. LIMITED SEASON. BOOK NOW.

CINEMAS

ABC 1 & 2, Shaftesbury Ave. 836 8861. Sep. Perfs. All Seats Bkble. 1: THE GODFATHER PART II (X). Wk. and Sun. 2.45, 8.00. 2: OUT OF SEASON (X). Wk. and Sun. 2.00, 5.30, 8.30.

CASINO. 437 6877. EARTHQUAKE (A). You'll FEEL it as well as see it in SENSURROUND. Sep. Perfs. daily at 2.30, 5.30 and 8.30. Seats bookable.

CURZON, Curzon Street, W.1. 499 3737. (The No Smoking Cinema.) ALICE DOESN'T LIVE HERE ANYMORE (AA). Progs. at 1.35 (not Sun.), 4.00, 6.15, 8.30. Late Show Sat. 11. Phone Bkgs.

EMPIRE. Leicester Square. THE DAY OF THE LOCUST (X). Progs. daily 2.00, 5.10, 8.15. Sep. perfs. All seats bookable. No phone bookings.

LEICESTER SQUARE THEATRE (930 5252) Seal Heart/and TOMMY (AA). The film event of the year. Sep. perfs. 1.30, 4.30, 8.00. Sun. 4.30, 8.00. Late show Fri. and Sat. 11.15. All seats may be booked.

MERMAID, Puddle Dock, Blackfriars, EC4. 248 7656. Today, Tomorrow at 8.0. MONKEY BUSINESS (U)—Marx Brothers & MY LITTLE CHICKADEE (U)—Mae West & W. C. Fields. Buffet Platter, Wine & Film Ticket for £2.50.

ODEON, HAYMARKET (930 2738-2771). SHAMPOO (X). Sep. perfs. Wk. 1.15, 4.45, 8.15. Shampoo at 1.55, 5.30, 8.55. All seats may be booked.

ODEON, MARBLE ARCH (723 2011-2). Streisand and Caan FUNNY LADY (A). Sep. perfs. Wk. 2.45, 8.00. All seats may be booked.

ODEON, ST. MARTIN'S LANE (836 0691-1811) Fully air cond.). Lelouch's AND NOW MY LOVE (X). Sep. perfs. Wk. 1.00, 4.30, 8.00. All seats may be booked.

PLAZA 1, Lower Regent Street. All seats bookable. THE GODFATHER PART II (X). Daily including Sundays. Progs. 2.45, 7.30.

PRINCE CHARLES, Leic. Sq. 437 8181. 10th Sensational Month!! EMMANUELLE (X). Sep. Perfs. Daily (inc. Sun.) 2.45, 6.15, 9.00. Late Show 11.45 Fri. & Sat. Seats Bookable. Licensed Bar.

SCENE 1, Leic. Square (Wardour St.) 439 4470. Cont. Perfs. Dly. from 12.30. Late Show Fri. & Sat. 12.05. Sylvia Kristel JULIA (X). Progs. 12.30, 2.10, 4.40, 7.05, 9.25. Late Show Fri. & Sat. 12.05.

SCENE 2, Leic. Square (Wardour St.) 439 4470. Cont. Perfs. Daily from 12.30. Late Show Fri. & Sat. 12.05 YOUNG FRANKENSTEIN (AA). Progs. 12.30, 2.45, 5.05, 7.25, 9.45. Late Show Fri. & Sat. 12.05.

SCENE 3, Leic. Square (Wardour St.) 439 4470. THE TOWERING INFERNO (A). Sep. Perfs. Daily 2.00, 5.20, 8.40. Late Show Fri. & Sat. 11.45. Seats Bookable—All Perfs.

SCENE 4, Leic. Square (Wardour St.) 439 4470. 2nd YEAR. The Film Everybody's Talking About, THE EXORCIST (X). Directed by William Friedkin. Sep. Perfs. Dly. 12.30, 3.00, 6.15, 9.00. Late Show Fri. & Sat. 11.30. Box Office Open Daily 10-8. Sun 12-8. Seats Bkble.—All Perfs.

WARNER WEST END, Leicester Square. Tel. 439 0791. 1. BEAUTIFUL PEOPLE (U). Cont. progs. 2.30, 4.30, 6.30, 8.35. 2. Robert Mitchum THE YAKUZA (AA). Cont. progs. Wk. 1.30, 3.45, 6.00, 8.20. LAST 2 DAYS. 3. Steve McQueen, Paul Newman THE TOWERING INFERNO (A). Sep. perfs. 1.25, 4.40, 7.55. All seats may be booked.

ART GALLERIES

OMELL GALLERIES, 40, Albemarle Street, Piccadilly, W.1. 20th Century British and European Paintings and large selection of Maritime Pictures. Realistic prices. Gallery booklets. £1. (Profit in aid of RNLI and RNIB).

MARJORIE PARR GALLERY, 285 Kings Road, Chelsea, S.W.3. Scottish Paintings 1775-1975. Until August 30th. Open all day Saturday. Closed Mondays.

ANTHROPOS' GALLERY. Specialists in Ethnic Arts 7, Monmouth Street, Upper St. Martin's Lane, W.C.2. 01-835 0162. Europe's finest collection of New Guinea, Papuan and Eskimo Art. A new exhibition. Mon.-Wed. 10-6. Thurs.-Sat. 10-12 midnight. Sun. 1-7.

MALL GALLERIES, The Mall, S.W.1. BRITAIN IN WATER COLOURS. 10-5. Sats. 10-1 until July 26. Adm. 20p.

ROYAL ACADEMY SUMMER EXHIBITION. Contemporary paintings, sculptures, etc. Until 27 July. Wkdys. 10-6, Suns. 2-6. Adm. 65p. (Mondays 30p) and the PRIVATE ROOMS AND COLLECTED TREASURES. Until 21st Oct. Wkdys. 10-6 (closed Tuesdays). Sun. 2-6. Adm. 50p. Students and pensioners half-price.

THACKERAY GALLERY, 18, Thackeray St., Kensington Sq., W.8. 01-937 5883. SUMMER EXHIBITION. Until August 2.

COOLING GALLERIES, 38, Albemarle St., W.1. PAINTINGS FOR INVESTMENT UNDER £1,000.

THACKERAY GALLERY, 18, Thackeray St., Kensington Sq., W.8. 01-937 5883. JOHN BRATBY. Until 11 July.

THE PARKER GALLERY, 2, Albemarle Street, Piccadilly, W.1. Exhibition of old marine, military, sporting and topographical prints and paintings and ships models.

WILDENSTEIN. Paintings by APPEL. Weekdays. 10-5.30; Saturdays 10-12.30. Until 18th July. Admission free. 147, New Bond Street, London, W.1.

CLUBS

CELEBRITY For celebrations. Superb food. Top-class entertainment. 493 7636 6855.

EVE, 189 Regent St. 734 0557. A la carte or All-in-Menu. Spectacular Floor shows plus the rhythm of Los Vera Cruz and music of Johnny Hawksworth and Friends.

GARGOYLE, 69 Dean St., London, W.1. STRIPTEASE FLOORSHOW SEX ALIVE '75 Show at midnight and 1 a.m. Hostesses. Monday-Friday. Closed Sats. 437 6455.

WE NEVER LET YOU DOWN at The Gaslight Monday-Saturday. You will be very impressed with our friendly professional services, sensible prices, good company and entertainment from 9 pm. 4 Duke of York Street, SW1. Tel.: 930 1648.

CRICKET

BY TREVOR BAILEY

Problems after the Edgbaston massacre

AUSTRALIA, as expected, routed England at Edgbaston by the considerable margin of an innings and 85 runs in the mid-afternoon of the fourth day of the first Test.

After Australia had been put in to bat first, it was all too sadly predictable. The tourists quite simply bowled, batted and fielded far better, while their captain, Ian Chappell, never missed a trick. It was not so much a defeat as a well-organised massacre of the innocents.

Australia: First Innings: 359
England: First Innings: 101
Second Innings: 173

What can be done before the next battle at Lord's? It would be pleasing to be able to suggest an easy solution, but as with inflation, there isn't one.

I would favour picking the squad and then choosing a captain. However, this is not feasible under existing regulations, as the captain-elect must be an ex-officio member of the selection committee.

The most obvious alternative to Denness must be Greig, who is a fine cricketer, a good competitor and a certainty for the side. However, if our selectors should decide to gamble on youth, then there could be a case for the return of the vastly experienced Illingworth to nurse them along.

On the evidence of this Test none of the five main batsmen ever suggested permanence. Gooch, despite a "pair," must obviously be given another opportunity but what of the others? Despite the case for starting afresh, the alternatives are not immediately apparent. I feel that there are likely to be two changes and the possibles include Hayes, Balderstone, Jameson and Wood.

The two all-rounders Greig and Knott are clearly certainties for the next top contest and this also applies to Underwood.

None of the three English pace bowlers performed badly and they are likely to be called for duty at Lords plus Hendrick, although it would not come as a surprise if Woolmer gained preference over Old. Although the Yorkshire bowler has scored heavily in County cricket and is considered an all-rounder, his batting against the pace of the Australians did not inspire confidence.

England captain Mike Denness

A heavy pre-match downpour prevented the resumption of the first Test match until 11.50, when Knott and Old came out at 93 for 5 to face the bowling of Lillee and Walker. They saw the hundred up, before Old obligingly hung his bat out and was brilliantly caught in a galaxy of slips. Amiss blasted an over from Lillee before rain sent the players scampering back into the pavilion.

Play resumed at 12.30 on a freshened pitch. Knott and Amiss managed to exist until the luncheon interval, when the total was 122 with the former on 31 and the latter on five. In this period the English pair had displayed more resolution and skill than had been apparent in most of the other batting.

Immediately after the interval Thomson produced a short ball which nipped in at Amiss. As he fended it off his body with a slightly crossed bat he was well caught by forward short leg.

It was now purely a matter of time. Knott eventually fell to a full toss. Snow reached a somewhat improbable 34 before providing Thomson with yet another victim and Underwood was bowled by Mallett. Thomson finished with the splendid figures of five for 38 and England were all out for 173.

This means that Australia are now one up in a four-match series which, on this showing they should win without breaking sweat. However, it is to be hoped that we shall find an 11 capable of showing more determination before the next encounter.

BIG RISE IN U.S. STAMP VALUES

Stanley Gibbons' catalogue Overseas 4, covering foreign stamps from Panama to Zaire, contains many increased quotations, reflecting ever-increasing demand. To be published at £6 ($U.S.20.00) on July 30, the catalogue contains much new information provided by specialist collectors.

The most dramatic general increases are for U.S. stamps. Postmasters' Provisional issues have all increased. Over the last five years, the 1846 5 cents black/buff of Alexandria, Virginia, used has gone up from £3,250 to £6,500, and Baltimore, Maryland's 1845 10 cents black bluish stamp used, from £7,000 to £14,000.

Generally issues also show some good increases.

The Hawaiian "Missionaries," so called because they were mostly found used on the correspondence of Missionaries in Hawaii, have risen steeply.

YACHTING

FT retains Crystal Trophy

PLYMOUTH, July 14.

David Palmer, Financial Times news editor, describes from Plymouth the 300-mile race for multihull yachts at the week-end.

FT the Financial Times trimaran, won the Crystal Trophy for offshore multihull yachts for the second year running on Sunday. Second was Wildgoose, Roland Prout's Snowgoose racer catamaran, and third the trimaran Croda Way, sailed by Mike Best.

The 22 starters for this year's race were divided into two fleets, with the smaller boats leaving the starting line at Cowes on Friday evening, 14 hours ahead of Class I. In the event, the weather favoured Class I, and none of the small boats featured in the prize list.

The course for the Crystal Trophy—a total of 300 miles from Cowes to Cherbourg, then a long leg to the Wolf Rock, and finally a 70-mile stretch back to the finish at Plymouth—usually provides plenty of varied conditions, and this year the fleet had spring tides to contend with as well.

Aboard FT, we made a very poor start for the run down the Solent to Bembridge. But on the way across the Channel, FT picked her way through the wind shifts and light airs, so that she was second boat round the Cherboug buoy, behind Trifle (Major-Gen. Farrant).

On the way to the Wolf Rock, the wind had blown up to a fresh South-Westerly giving the boats a fast close reach. The Quest, the brand-new 54ft. Weychan-designed trimaran, swept to her rightful place at the front of the fleet, and went on to pass all the remaining Class II boats on the run to Plymouth and win the prize for the first boat home.

New rule

Second of the big boats to finish was the catamaran Pollyanna (Mandy and John Fletcher) and third FT. In Class II, Day Tripper (R. Norris) was first to finish and Spellan (Ron Spells) second.

The results for the Crystal Trophy this year have been calculated using the new International Offshore Multihull Rule for the first time. Roughly a third of the fleet, including the FT, went to the starting line with their new rating certificate under their belt.

This had been done at the insistence of the Royal Yachting Association as an experiment to see how the new rule operated and to test it against the old Portsmouth Yardstick which had been used for these races in the past.

In the event, the first four boats racing under IOMR finished with corrected times within 4½ hours of each other—an indication that the new rule has found some though not all of the answers to the problems of rating multihull yachts.

Pollyanna, a 45-foot Ocean Ranger catamaran, won the prize for the first finisher on corrected time under the old Portsmouth Yardstick.

Crystal Trophy results (provisional and subject to protest)

1—FT (David Palmer) 29 hrs. 27 mins.

2—Wildgoose (Roland Prout) 31—39.

3—Croda Way (Mike Best) 32—11.

4—Trifle (Maj.-Gen. Farrant) 34—47.

RENOLD

A COMPLETE POWER TRANSMISSION PRODUCT RANGE
available world-wide

Statement by the Chairman, Mr. L. J. Tolley, C.B.E.

The 45th Annual General Meeting of Renold Limited will be held on 8th August at Renold House, Wythenshawe, Manchester.

GENERAL
The Group's results for 1974/5 indicate once again the world-wide strength of Renold in the power transmission field. The results are good even for a year when demands on the engineering industry were high throughout the world. It was also a year of world-wide inflation, of supply and labour shortages and of continued price control, particularly in the U.K., which prevented full recovery of the exceptionally high cost increases which occurred.
The year started with a high order level in most countries and demand continued strong throughout the greater part of the year. Despite all efforts, this demand could not be met fully, largely due to skilled labour shortages which resulted in underutilisation of capacity. This is a feature which has grown in importance in recent years and must be taken into account when assessing the benefit of investment because, in almost every case, the Group's capacity, as a result of well planned investment over the years, was adequate. Towards the end of the year, action in many countries, to control inflation and improve the balance of payments position began to affect the level of demand but for many products activity and the order level are still high.
The efforts of all concerned were reflected in a 31% increase in the Group profit on trading to £16,284,000. Moreover, as a result of a revaluation of plant and equipment, which gave rise to a surplus of £3,983,000, this higher level of Group profit on trading for the year is after charging additional depreciation of £406,000, whilst the profits have been further reduced, although not significantly, as a result of the use of the LIFO basis of stock valuation by the U.S.A. companies. In particular the increase for the U.K. companies was 39%.
The contribution from overseas companies also continued to grow, helped by the inclusion of the first seven months' results from our new U.S.A. subsidiary, Atlas Chain and Precision Products Co. Inc. The improvement came from all countries—from both selling and manufacturing subsidiaries—and, despite the considerable U.K. improvement, the overseas companies contributed 43% of the total Group profit on trading.
While profit was one measure of the year's performance, 1974/5 was a year when cash control was equally important. Inflation at the current level results in a cash absorption in working capital to an extent not previously encountered and all manufacturing industry is suffering under this burden.
Renold has a basic philosophy of maintaining world-wide stocks and with a manufacturing cycle which, over a large variety of products, encompasses all stages from basic material to finished stock, inevitably requires a high stock ratio. At current inflation rates, stock value appreciation is therefore a particular problem and, even after the benefit of tax reliefs, it is not surprising that retained profits are insufficient to provide cash for the increased value of working capital in addition to the requirements of fixed asset investment. However, due to our stock and credit control, the increase in Group borrowings has been restricted to £9,750,000 which is still well within the facilities available and not disproportionate to the increased turnover. During the present year, even greater efforts will be made to control cash absorption.

FINANCIAL
Group profit for the year before taxation amounted to £13,117,000 and this is after charging interest of £3,167,000, which is significantly higher than the previous year of £2,082,000. This increase in interest is mainly due to the higher level of borrowings which have been necessary to finance the effects of inflation on working capital and the acquisition of Atlas. Taxation also shows a considerable increase from an effective rate of 51% for 1973/4 to 54% for 1974/5: the increase being mainly overseas, due to a special surcharge imposed in France. The U.K. amount includes a transfer to deferred taxation of £2,888,000 in respect of stock appreciation relief.
Group profit for the year after taxation at £6,041,000 showed an increase of £961,000 over last year. In 1974/5 the abnormal feature of exchange differences on net current assets of overseas companies gave rise to a deficit of £126,000 against a surplus of £629,000 for 1973/4. Thus, profit attributable to ordinary stockholders was only increased by £241,000 to £5,851,000. Nevertheless, the earnings on £1 of ordinary stock, excluding exchange differences on net current assets, were 18·5p compared with 15·4p the previous year.

DIVIDEND
The Directors are recommending a final ordinary dividend of 4·5604p per £1 unit which, together with the interim dividend of 2·5p, makes a total of 7·0604p for the year. The equivalent gross dividend for 1974/5 of 10·7473p represents an increase of 12½% compared with last year's dividend of 9·5532p, the increase conforming to current legislation.

INFLATION ACCOUNTING
The Annual Report this year includes a summary of results and financial position adjusted for the effects of inflation. Whilst this does not mean we fully accept the provisional basis put forward by the Accounting Standards Steering Committee, it has been followed in the absence of a firm statement of accounting principles. Because of both the conservative and realistic accounting policies always adopted by your company, particularly in regard to the higher depreciation arising from the revaluation of assets, and also because of the fall in the real value of external borrowings, the results are little different from our normal accounts and compare favourably with the engineering industry in general. This is shown by earnings per £1 stock unit which on a current purchasing power basis are 20·2p compared with 18·5p on the normal basis.

SALES DIVISION
External sales of the Group's products for the year 1974/5 amounted to £89,381,000 compared with £70,501,000 last year. Demand in all markets continued at a high level throughout almost the whole of the year, although towards the end there was some evidence that the pace of demand was slackening.
The high order backlog of the U.K. companies, reported last year, continued to increase well into 1974/5 but order intake from certain industries began to decline in the latter part of the year. Nevertheless, the orders in hand at the end of 1974/5 should ensure a good start to the sales in 1975/6.
In the home market, steps have been and continue to be taken to increase our share of the benefits accruing from capital investment in the steel, energy, extractive, anti-pollution and other growth industries. Special efforts are being made in countries where substantial developments have been made possible by high oil revenues. In addition, every opportunity will be taken to increase sales and to take full advantage of the potential in other important markets where the Group's penetration is considered to be capable of expansion.
The European selling subsidiary companies, with some minor exceptions, have enjoyed a successful year (concluding with an increased order balance) and with profitability ahead of that in 1974. In most of the EEC countries the Group trades through a subsidiary company. We are especially gratified that the Referendum has confirmed the U.K.'s membership of the Community which we all firmly believe is in our long term best interests.
In North America, good results were achieved by all our companies which made a substantial contribution to overseas profits. The performance of Atlas Chain and Precision Products Co. Inc., which was acquired on 31st May 1974, was encouraging. The co-ordination of our American companies has proceeded smoothly and the whole of the operation is developing well. We are confident of increasing our level of business in the North American market.

CHAIN DIVISION
To meet the high demand of 1974/5, production levels were increased steadily throughout the year but, where this depended on recruitment of labour, improvement was slow. Government restrictions on wage increases in the early part of 1974 led to difficulties in labour recruitment and it was not until after August that the labour situation eased and recruitment and training of new labour was undertaken successfully.
Recently, because of indications of falling demand, production of certain products has been allowed to decline in order to avoid any unnecessary increase in stocks. Action has also been taken to keep raw material stocks at appropriate levels.
Improved methods of manufacture are continually being sought but the soaring cost of new machines means that greater attention is required in order to secure an adequate return on investment. Work continued on the further introduction of cold extrusion in order to conserve material and labour. Assembly, being one of the major costs, also received attention and some improved machines were put into use during the year.
Comprehensive measures were taken by all manufacturing establishments to conserve energy and minimise heat losses. Working temperatures were reduced wherever possible and boiler running times cut back. The longer term aspects of fuel consumption and energy savings continue to be investigated. All other Divisions are taking similar action.
Demand for the products of Anchor Chain Co. Ltd., continued to grow in the early part of the year and remained at a high level although there were some signs of reduction towards the close of the year. The ability to meet this higher demand was restricted very severely by shortages of raw material and suitably skilled personnel. Material supplies continued to be difficult well into the second half of the year.
For Manesty Machines Ltd., 1974/5 was a very busy year in all sections of the business. Orders from most markets remained buoyant. However, it does appear that the general rate of inflation and downturn in world trade is now inhibiting investment by our customers in new plant. Its new subsidiary, Stainblack, confirmed its usefulness as a source of supply to Manesty and achieved satisfactory results.

GEAR DIVISION
To meet the very high level of order intake, strenuous efforts were made to increase output levels but, as in the previous year, a shortage of skilled labour prevented the required level being achieved. In the last half year an improvement in the labour situation, which combined with improved planning and control, enabled a substantially higher level of production to be achieved.
During the year, rationalisation of the worm gear range has been almost completed and the benefits to production are now being realised. In addition, prototypes and pre-production quantities of the new range of hydraulic products were produced.
Record sales of rotors for use in rotary air compressors were achieved during the year mainly for export to the U.S.A. However, the economic situation in the U.S.A. will, it is believed, lead to a reduced level of demand in 1975.
The output of machine tools from the Division continued at a reasonable level, but a slowing down in the rate of order intake in the second half of the year has led to a reduction in the large balance of orders which existed at the beginning of the year.
The Holcroft Foundries have again proved invaluable in ensuring that the requirements of the Division for bronze and cast iron were fully met when the country was facing the problem of a general shortage of capacity in the foundry industry. A considerable amount of extra business, in addition to that which had already been built up, has been developed with external customers. The Steel Foundry, in particular, has done well in this respect.
Steps have also been taken in the foundries to reduce both internal and external pollution and to improve the working environment.
This Division, in common with all others, has suffered very heavy price increases in raw materials, bought-out parts and supplies which are the cause of great concern.

OVERSEAS DIVISION
Overseas Division had a successful year with both sales and profit considerably in excess of that of the previous year. Excepting South Africa, the decline in world demand affected all countries in which the Division operated. However, as order books were high at the beginning of the year, the general fall in demand did not affect the production and sales of the Division's subsidiaries. The initial problem was maximising the production levels for which labour and materials were generally available. Everywhere, except Germany, suffered high rates of inflation with the attendant problems.
The acquisition of Pouille, a small French gear company, began to contribute to the activity of the French companies and in particular is now assisting the sale of complementary U.K. products. Sales and production of other factories were high for most of the year but it was necessary to make some curtailment of the total production levels towards the end of the year.
While deflationary measures in Germany resulted in the country's inflation being limited to 7%, they did lead to a high level of unemployment and a reduction in demand.
This did not affect the year's performance of the subsidiary which was at a high level but by the end of the year the demand for our products was reflecting the national trend.
In both Australia and New Zealand there were signs of a recession in the countries' economies but in many applications with which our products are concerned, both locally manufactured and imported, demand remained high and in Australia, in particular, there were some difficulties in achieving the production levels necessary to meet the demand, but the performance for the year was good.
With the South African economy continuing buoyant, particularly in activities such as sugar, Government projects for iron and steel and the production of oil from coal, the demand for Group products was a record. Local production was increased but was limited by shortages of material and skilled labour and due to the high world demand there were also some restrictions in the supply of U.K. manufactured products. Despite these restrictions, sales reached a record level with the high demand appearing to continue.

EXPANSION PLANS
The last two years have proved that previous investment in the U.K. was correctly planned to cater for demand and that it was the inability to utilise fully this capacity which restricted sales. There is therefore no pressure at the present time for further major expansion plans. However, wherever it is necessary, projects are in hand for providing additional capacity and, in particular, this applies to increased facilities for Manesty Machines at Milnrow and for Anchor Chain at Oldham.
In the U.S.A., additional buildings and equipment are being provided for Renold Ajax to increase the capacity for existing products and to extend the product range. For Atlas, the development plan providing both improved specification and increased capacity is proceeding as planned at the time of acquisition.

DEVELOPMENT
Despite the pressure of sales demand there was no relaxation of work designed to maintain the high quality of the Group's products. As a result of evaluation and testing of new materials, components and lubricants, progressive improvements were introduced. At the same time new products were not neglected.
The original range of electrical variable speed controllers provides units for high-precision applications. Design projects have been completed to extend this range to meet the needs for competitive units in the less demanding applicational areas. A number of multi-motor variable speed drive installations have been designed, ordered and installed.
Development of new hydraulic products referred to last year has proceeded as planned. The first of a range of five hydraulic low speed high torque motors is now in production and initial orders for this size of motor have been received and delivery completed. Thorough prototype and pre-production testing has been completed in the Research and Development Centre and samples of the first motor in production have successfully completed endurance testing under cyclic loading conditions. Field trials have also been successfully completed. The second motor in the range is now undergoing rating tests. Once the tests are satisfactorily concluded, it will be incorporated in production and marketing programmes.

PERSONNEL
There was only a slight increase in the number of employees both home and overseas. The former was limited by the problem of availability and the increase in the latter arose mainly in the U.S.A. from the acquisition of Atlas and some increase at Renold-Ajax.
The many difficulties experienced during 1974/5 could only have been overcome by co-operation from all grades of employees. I wish to thank all who have contributed to this achievement.
The Group's well established and effective negotiating and consultative arrangements at domestic level throughout the world continued to make a major contribution to the relationships between employees and management. In the U.K. they helped to overcome the tension resulting from the period of statutory wages restraint and allowed acceptable settlements to be made after the end of the legislation. However, in an international setting it must be stressed that over-large wage and salary increases must eventually result in declining employment as goods are priced out of markets where wages and prices are more stable.
The Health and Safety at Work etc. Act 1974 has now been enacted. Renold Limited has always regarded itself as a safety-conscious organisation and has, over the years, promoted safe systems of work. Accident Prevention Committees have, for many years, enabled employees to co-operate with the Management on the solution of safety problems.
Pension schemes throughout the Group are kept under review on a regular basis and during the year all existing schemes were improved. A major development was the introduction for hourly rated employees of a scheme providing similar benefits to those already enjoyed by staff.

DIRECTORS
During the year Sir Neville Butterworth was appointed an additional Director and a resolution will be proposed at the Annual General Meeting for his re-election.

THE ECONOMIC SCENE
The events of the last year or two have thrown the world economy into a degree of turmoil not experienced for many years, if ever before. The massive increase in the price of oil destroyed the relative monetary equilibrium of world trade and so far no real answers have been found to deal with the problem. In addition, soaring prices of other commodities created world-wide inflation which was further aggravated by internal conditions in some countries. The aftermath of this is a slowing down of world trade as country after country takes steps to control both inflation and balance of payments deficits.
Potentially the U.K. is in a strong position with indigenous oil supplies now beginning to come ashore from the North Sea. In practical terms, this advantage could easily be dissipated. While other countries are bringing inflation under control, that of the U.K. is still rising due to domestic and not external influences. The continuation of this trend will destroy the competitive power of U.K. manufacture in world markets which currency adjustments will not solve. There will then be a consequent slowing down of activity and long term unemployment and national bankruptcy.
This need not happen if people of goodwill determine it will not happen, if politicians of every colour will ignore political and economic dogma and act with courage to combat inflation and create the framework in which industry, and that means all in industry, can work out its solution to the benefit of all.
Biased legislation designed to increase sectional power within industry but ignoring completely industry's real needs will by its very nature stultify rather than encourage improved industrial relationships and will be no help. In fact, Government interference of this nature will ultimately result in a further decline in U.K. world effectiveness and with it fewer opportunities for effective employment at all levels.
We must ensure that we do not allow other countries to export their unemployment to the U.K. by means of international trading methods which at best can be classed as unfair. It is in this area where Governments have a part to play.
The last two years with the difficulties involved in meeting peak demand have illustrated the consequences of allowing manufacturing industry to decline. It cannot be said that the decline is a matter only of investment, or even primarily. It arises more from an attitude to manufacturing and the reluctance of people to take part in it with enthusiasm. To reverse this declining trend requires a climate in which people can and will rethink their attitudes and beliefs and will be able to look forward to an adequate reward structure. Further extension of state control will not help and even state-assisted investment can only be of benefit if the other matters are first corrected. These are mainly U.K. problems but the rest of the industrial world is not free from similar difficulties. It is not easy to forecast when these will end even in those countries whose basic situation and philosophy are still strong.
All that can be said is that 1975 and 1976 may well be years of disturbed and distorted economies.

GROUP PROSPECTS
The economic uncertainty at this time both in the U.K. and overseas makes it difficult to look far ahead. The Renold Group is well organised geographically, in its product range for which there must be continued demand, and in its personnel throughout the world. Nearly two-thirds of the Group sales are made overseas and, in addition, a high percentage of our U.K. sales is incorporated in customers' equipment for sale overseas. There is still a substantial order backlog for some products and important new ones are being launched. Whilst, in many countries, there is a decline in demand for some of the products in our range, we are deeply engaged with important activities all over the world which are still booming such as agriculture, sugar, oil and gas exploration and production, mining of all kinds and expansion of steelmaking resources: I am confident that the Group will continue to give a good account of itself.

Stockholders have already received notice of an Extraordinary General Meeting to be held on Monday 21st July 1975, for the purpose of increasing the authorised share capital of the Company to £54,000,000. Following the passing of the appropriate Resolution the Directors propose to raise some £8·3 million by means of a rights issue, details of which are fully dealt with in the circular to Stockholders dated 3rd July 1975.

Group Results

	This Year £	Last Year £
Sales	89,381,000	70,501,000
Profit on Trading for the Year	16,284,000	12,386,000
—United Kingdom Companies	9,367,000	6,722,000
—Overseas Companies	6,917,000	5,664,000
Profit attributable to Ordinary Stockholders	5,851,000	5,610,000
Ordinary Stock		
Dividend per unit of £1	7·0604p	6·4906p
Earnings per unit of £1	18·5p	15·4p

Earnings per unit of £1 are after adjustment for exchange differences on net current assets of overseas companies—1974/5 deficit of £126,000, 1973/4 surplus of £629,000.

MANESTY MACHINES LIMITED
Export Achievement

RENOLD LIMITED • MANCHESTER

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Firm trend on brighter economy

BY OUR WALL STREET CORRESPONDENT

NEW YORK, July 14.

A FIRM TREND prevailed on Wall Street to-day as investors pondered news of higher interest rates and improvements in the economy.

At 1 p.m. the Dow Jones Industrial Average was up 0.62 to 871.71 and the NYSE All Common Index was up 5 cents to $50.76, while advances topped declines by 674- to-574. Trading volume, however, further decreased 1.26m. shares to 11.48m., compared with 1 p.m. last Friday.

Two banks—First National of Chicago and Melon of Pitsburgh—raised their prime rate from 7 per cent. to 7½ per cent. The Commerce Department, meanwhile, reported a record $2.97bn. decline in business Inventories.

The Commerce Department report was further evidence the recession had ended and business was getting into a position to move ahead. But the prime rate increases indicated a general trend toward the higher level following New York's First National City Bank move on Friday.

Some earnings reports, which Wall Street had expected to reflect the severity of the recession, were surprisingly good.

Westinghouse climbed $⅝ to $18⅜ in active trading after reporting second-quarter earnings rose to 47 cents from 37 cents a share.

Closing prices and market reports were not available for this edition.

Philip Morris were lifted $2⅛ to $53⅜ after coming in with higher earnings.

Control Data hardened also on improved profits.

A. E. Staley, which last week reported sharply higher earnings, climbed $3½.

Dorr-Oliver added $¾ at $15⅝, following sharply higher second-quarter earnings.

Less active Sargent-Welch Scientific improved $1¼ to $13½—a company spokesman speculated that first half-year earnings may be released soon.

Green Giant eased, despite an increased net profit.

Colt Industries declined $1½ to $31 on sharply lower earnings. It also added that the decline in the order ternd, which began in the fourth-quarter of last year, has not yet turned up.

Steels and Motors were narrowly mixed, as were Oils.

Pan American World Airways, off $⅛ to $4⅞, led the active list. U.S. Industries followed, up $½ to $5½, and Howard Johnson was third, unchanged at $15.

Prices on the American S.E. were slightly higher. The Market Value Index gained 0.21 to 95.48, but the turnover further decreased 340,000 shares to 1.75m. compared with 1 p.m. last Friday.

Houston Oil and Minerals were firm but Syntex eased.

Kuhn's-Big K Stores spurted ahead $2 to $8.

OTHER MARKETS

Canada up again

Canadian Stock Markets made further headway in moderate trading yesterday morning.

The Industrial Share Index picked up 0.57 to 194.13, Golds 6.15 to 414.86, Base Metals 0.36 to 80.02, Utilities 0.01 to 132.04, Banks 2.31 to 280.47 and Papers 0.70 to 115.39. But Western Oils shed 0.19 to 201.66.

Intermetco rose $¼ to $7½ in active trading. Royal Bank also put on $¼ to $36, while Canadian Pacific firmed $⅛ to $15⅛.

Among the Oils, Ranger Oil Canada eased $¼ to $21⅜, but United Canso Oil and Gas stiffened $¼ to $9⅜. Canadian Merrill gave way 20 cents to $4.40.

PARIS—Closed yesterday—Bastille Day.

BRUSSELS—Slightly higher in thin holiday-period trading. But the Chemical sector fell.

Germans, French and U.S. issues rose in the Foreign sector. Dutch stocks were mixed, while British shares were lower. Golds also rose.

AMSTERDAM—Dutch Internationals gained some ground, except easier Akzo, in continued generally quiet conditions.

In Local issues, Lucas Bols, Middenstandsbank, Dell and Giessen headed gains. Gist Brocades put on Fls.1.2 to 63.7 but Pakhoed lowered Fls.1.9 to 158.

State Loans continued to decline.

OSLO—Banks were quiet, Insurances little changed, Industrials irregular, while Shippings were steadier.

VIENNA—Little changed.

COPENHAGEN — Lower in moderate activity, although Banks were little changed.

SWITZERLAND—Markets were narrowly irregular.

Banks and Financials were mixed. Juvena Bearer lost ground. Insurances generally advanced.

Losses were slightly in the majority in Industrials.

State Bonds were inclined easier.

Dollar stocks were very steady to firmer due to the continued firmness of the dollar. Dutch Internationals were steady, while German issues fluctuated slightly although BASF and Volkswagen were each distinctly higher.

MILAN—Irregularly higher on end-Account technical factors in quiet conditions.

Snia Viscosa rose L32, Fiat L21.5 and Montedison L7.5, while most other leading Industrials advanced slightly.

Bonds were steadier.

GERMANY—Generally firmer on increased foreign demand. Stores led the upward trend with Karstadt advancing DM13 to DM493 xd.

Chemicals firmed, with Bayer rising DM3.40 to DM14.4. "Secondary" chemicals put on up to DM10.

BBC, up DM6.80, led Electricals higher, while Steels improved with Thyssen rising DM1.9 to DM79.8. Banks were maintained, but Engineerings and Motors fell slightly.

VW were unchanged, although it said it would be prepared to set up a U.S. factory on its own.

Contigas were also unchanged after Ruhrgas took a 25 per cent. share in the company from Allianz Versicherung.

Pressure eased sharply on Bonds. Public issues were relatively unchanged. The Regulating Authorities took only DM3.2m. worth of Bonds after DM14m. on Friday. Mark Foreign Loans eased.

TOKYO—Market was little changed in quiet trading. Volume 120m. shares.

Some Pharmaceuticals, Constructions, Engineerings, Trading Houses and Electric Household Appliances were higher on selective demand.

But Chemicals, Textiles, Foodstuffs and Minings were lower.

Shippings generally lost ground on profit-taking. Mitsui O.S.K. Lines lost Y9 to Y141, Sanko Steamship Y10 to Y560, and Shinwa Kaiun Y8 to Y176.

HONG KONG — Prices drifted lower in very quiet trading.

HK Bank shed 30 cents to $HK16.30 and Jardine Matheson 40 cents to $HK22.70.

HK Gas gave up 10 cents to $HK17.20, while HK Electric, which is bidding for HK Gas lost 5 cents to $A3.67½.

AUSTRALIA—Leading Industrials and Minings retreated.

Uraniums were particularly weak. Pancontinental fell 20 cents to $A4.80.

Golds were neglected, while Nickels eased.

In Oils, Woodside-Burmah shed 5 cents to 78 cents.

Coals were weak, with Utah down 10 cents to $A3.06.

In easy banks, Bank of NSW gave way 24 cents to $A6.06.

Retailers were also lower.

Sugars, however, firmed with the London sugar price. Pioneer gained 10 cents to $A4.05 and Bundaberg 4 cents to $A4.00.

JOHANNESBURG—Gold shares were little changed in quiet trading, while Financial Minings were little tested.

Platinums were steady, while Coppers were neglected. In other Metals and Minerals, GEFCO were 15 cents higher at R530.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus	Util	Trading volume 000's
July 11	65.79	172.69	871.09	84.48	22,210
10	68.95	173.48	871.87	84.20	23,380
9	68.85	172.05	871.87	85.61	36,350
8	68.86	169.86	857.79	83.24	18,930
7	68.69	169.21	861.08	83.69	15,850
3	68.89	169.78	871.79	84.46	19,000
2	68.98	170.07	870.58	84.74	18,530
1	69.38	171.71	877.42	85.44	20,390
June 30	69.32	171.13	878.99	85.99	19,430
27	69.42	171.34	873.12	86.02	18,820
26	69.51	169.90	874.14	86.34	24,560
25	69.57	168.59	872.73	85.69	21,810
24	69.82	168.10	869.06	87.07	26,680
23	69.35	167.81	864.85	86.50	20,730
20	69.26	166.75	855.44	86.24	26,260
19	69.06	166.38	845.35	86.37	21,450
18	68.72	164.56	827.83	83.40	16,560
1975 High	69.82 (4/4)	174.12 (5/5)	878.99 (30/6)	87.07 (24/6)	—
Low	66.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.42 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	166.52 (20/4/65)	—
Low	—	13.23	41.22	10.58	—

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
July 11	106.20	94.66
10	106.31	94.81
9	106.54	94.80
8	104.92	93.39
7	105.06	93.54
3	106.09	94.36

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	July 10	July 3	June 26
On Dividends	7.30	7.17	7.36
On Earnings	13.80	13.74	14.12

OVERSEAS SHARE INFORMATION

Pound steady

Sterling showed little movement after the announcement of the June trade figures and held steady for most of the day around its opening level. The pound began at $2.1915-2.1925 but during the morning, fell to a low for the day of $2.1865-2.1875, before recovering to trade at around $2.1905-2.1915 after lunch. At the close sterling was quoted at $2.1920-2.1930, a loss of 80 points since Friday.

Trading was quiet against the background of the anti-inflation measures, with the market awaiting further details in order to assess the chances of success. The trade deficite was larger than expected in some quarters, but generally had no great impact.

The pounds trade-weighted average depreciation against ten major currencies since the Washington Currency Agreement (as calculated by the Bank of England) widened on balance to 27.0 per cent., from 26.9 per cent on Friday evening, and stood at 27.0 per cent. at noon and at 27.2 per cent. in early dealings. The dollar's trade-weighted average depreciation against 14 units since the Washington Agreement, as calculated by Morgan Guaranty of New York on noon rates, narrowed to 4.80 per cent., from 4.89 per cent. on Friday. Sterling's depreciation on a similar basis widened to 32.93 per cent., from 32.84 per cent.

Gold gained $1 an ounce to $166-167, in moderate business. After opening at $165½-166½ the metal moved up a little during the day. The krugerrand for domestic delivery ended at $177½-179½ (£80½-81½), against the previous $178½-180½ (£81-82).

EXCHANGE CROSS-RATES

July 14	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't	—	2.4440-60	58.50-.70	6.695-715	5.35-37	96.43-63	94.50-.70
N. York*	41.02-04	—	23.98-24.0	2.7625-75	2.192-1930	39.74-76	38.61-64
Paris*	171.30-60	4.1617-1717	—	11.490-525	9.1625-1675	165.40-.80	161.85-.25
Brussels	14.88-.94	36.47-52	8.71-75	—	79.41-.62	14.36-42	14.07-12
London	6.35¼-36¼	2.192 193	9.14-15	80.00-20	—	5.55-56	5.66¾-67¾
Am'erdam	103.585-635	2.5362 87	60.725-775	6.9475-95½	5.5535-85	—	98 005 055
Zurich	105.72-85	2.5880-75	61.90-62.02	7.08¼ 09¾	5.6650-95	101.9-102.1	—

Euro-French deposit rate short-term 12½-13½ per cent.; seven days' notice 12½-13½ per cent.; one-month 10¾-11¼ per cent.; three months 11¼-11¾ per cent.; six months 11¼-11¾ per cent.; one year 11¼-11¾ per cent.

Longer-term Eurodollar deposits: two years 8½-8¾ per cent.; three years 9¼-9½ per cent.; four years 9¼-9½ per cent.; five years 9½-9¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposits: one month $6\frac{9}{16}$-$6\frac{7}{16}$ per cent.; three months 7-6⅞ per cent.; six months 7⅝-7½ per cent.; one year 8¼-8 per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

Nuclear tender

Israel Electric Corporation has asked three U.S. companies—Westinghouse, General Electric and ABD Wilcox—to submit bids to construct Israel's first nuclear power station. Of 600MW, it would use enriched uranium from the U.S. and require an investment of $640m. Israel expects to have three nuclear power stations by the mid-1980s.

FARMING AND RAW MATERIALS

New talks planned on stocks fund

GENEVA, July 14.

AN INTERGOVERNMENTAL group of 30 Third World countries would hold a new round of talks at the end of July on prospects for setting-up a special fund to finance buffer stocks of raw materials they export, delegation sources said here.

The delegates agreed in a two-day session in Geneva this week that the *fund should have $3bn.* to finance stockpiles of 10 commodities. Contributions would cover one-third of this amount, while loans, and possibly shares, *would account for the rest,* they added.

The plan parallels a proposal by the *United Nations Conference* on Trade and Development (UNCTAD), except that the non-aligned programme does not envisage support by industrialised importing countries. But the Organisation of Petroleum Exporting Countries (OPEC) could be asked to make contributions to the fund in the *form of shares* or loans.

The Group will hold a three-day meeting in Geneva, starting on July 28, to prepare a report for the next Conference of *Foreign Ministers of non-Aligned* Nations in Lima, Peru, in the last week of August.

Copper, *rubber, coffee, cotton* and tea were discussed as priority candidates for a buffer stock but no vote was taken, the sources said.

Reuter

EEC plans move to halt fall in beef cattle prices

BY PETER BULLEN

THE FIRST consignments of beef to be put into intervention cold stores in Great Britain were *officially registered by the U.K.* Intervention Board yesterday. At the same time, EEC officials were preparing new measures to ease the crisis of falling prices in beef markets throughout the Community.

Only two tons of forequarter beef figured in the first intervention consignments, but a Board spokesman said he expected more would be registered soon if market prices *continued to fall.*

Although over 100 tons of beef have been sold into intervention *in Northern Ireland, this is the* first contribution to a "beef mountain" in Great Britain. But it has to be viewed against the 1.3m. tons of beef being produced *from U.K. farms this* year.

The sales follow a dramatic drop in U.K. beef cattle prices over the past month. Last week the Meat and Livestock Commission estimated that the U.K. average price was down to £17.29 a cwt—a fall of £1.81 in seven days. Yesterday's selection of *markets* in Great Britain gave an average of £17.24, which was 80p below last week's level despite a *drop of almost 10* per cent. in numbers of cattle marketed.

Price falls have been most marked in the U.K. and Ireland, but there has been a steady fall in cattle prices throughout the *Common Market* for the past seven weeks. The EEC Reference Price for cattle is now down to *£24.51 a live cwt, which,* at 88.1 per cent. of the Guide Price, is the lowest level since March.

To help combat the weakening trend in the markets, the EEC *Commission's* beef management committee has drawn up a draft regulation that is expected to be ratified very quickly, to permit the reinstatement of the beef *private* storage payments to wholesalers introduced last November, but discontinued early *this year when beef markets re*covered.

Forequarter

Under the original scheme, beef traders were paid special *premiums* to keep quantities of *beef* off the market for four, five or six-month periods. The scheme has been amended *so that* it applies only to the cheaper forequarter meat, which is always a drug on the market.

It is intended to start the scheme *from* July 21 and will be for quantities from a minimum *of 50 tons upwards.* The contracts will be for five or six month periods only. For storing beef *for five months,* traders will be offered payments of 430 Units of Account per tonne (or £222.71 a ton), while the payment for a six-month contract *will be* 455UA a tonne (£235.65 a ton).

With the introduction of this scheme, plus the first signs yesterday that farmers may now be prepared to hold back some of their cattle from the markets, meat experts were beginning to forecast that the fall in *prices* may be coming to an end.

However, the sheep market is also under pressure at present and the average price at markets in Great Britain yesterday was down by 1.7p a lb on the week to 30.1p a lb estimated dressed carcase weight, despite a drop of 17 per cent. in the number *of sheep* marketed. The average price for the whole of last week was 30.6p a lb, which will mean the Exchequer paying a 5p a lb deficiency guarantee to producers. *Even* pig prices, which have been very firm for several months, eased slightly yesterday. *The average was 10p down* on the week at £4.12 a score (20 lb) liveweight.

Dramatic recovery in cocoa

By Our Commodities Staff

AFTER ANOTHER day of wide fluctuations on the London cocoa terminal market, the September position ended £12.5 higher, at £603.5 a *tonne.* A sharp downturn in the morning took nearby quotations the permissible limit down at one stage, but a dramatic recovery in late trading—sparked by a limit-up movement on the New York market—saw the September quotation climb to £610 a tonne before being trimmed back by profit-taking.

Trading was reported to be fairly light in the absence of *any fundamental* developments. No new indications on the likely level of U.K. second quarter grindings were forthcoming and dealers are sticking to their earlier predictions of a decline of up to 25 per cent. However, the surprise figures recently announced in the U.S. and West Germany have cast doubts on grindings forecasts. It was pointed out that the early Easter holiday this year artificially depressed first quarter consumption by as much as 10 per cent., and second quarter figures—compared with last year—may have been equally distorted.

Purchases of Ghana mid-crop cocoa for the fifth week of the season, ended July 10, were *estimated* at 509 tons, the Ghana Cocoa Marketing Board said, reports Reuter from Accra. This brought total mid-crop purchases for this season to an estimated 2,666 tons.

Mid-crop purchases in the fifth week of last season, *ended June 20,* were 681 tons, which raised the cumulative figure then to 3,349 tons.

FUTURES TRADING

New sugar market with a difference

BY JOHN EDWARDS, COMMODITIES EDITOR

TRADING STARTS in London to-day on an unusual new futures market—dealing in white sugar conversions. It is unusual in that the market will trade *basically* in a nominal conversion, or differential, rather than the value of a raw material, *as with other commodity futures* markets.

Another unusual feature is that the *new market is grafted onto* the existing raw sugar market. In most cases, transactions in white sugar conversions will have to be matched with a *similar trade in raw sugar.*

But despite this apparently subsidiary role, some dealers think that the addition of trading in white sugar conversions could *greatly improve the existing raw* sugar market and possibly supplant it sometime in the future.

One of the leading members, Margulies (Sugar) (part of the international food group S and W Berisford) pointed out that the London raw sugar market has been successful, almost despite its contract: in theory, this does not provide the basis for the kind of physical trading that *should* be *available behind* a futures market.

One buyer

Tendering onto the London raw sugar market—which is supposed to be a world futures contract—is limited to Commonwealth cane sugar and to U.K. delivery ports. In practical terms, *this means that there is* virtually only one buyer.

Fortunately, this powerful *position has been used* benevolently and the market has attracted worldwide success as a hedging medium for raw sugar, but Britain's entry into the EEC and the new deal with Commonwealth suppliers are tending to make the raw sugar contract even more *out of step.*

The white sugar conversions market has delivery points throughout Europe, including Eastern Europe, and the potential *buyers for white sugar* are far more widespread than for raw sugar, which can only be taken by refiners.

Offerings of white sugar, within the quality standards specified, can also be drawn from a much wider range, although consumers tend to want particular types and packings of white *sugar.* They would be reluctant, therefore, to buy haphazardly through the futures market.

The prime purpose of a futures market is to provide price protection through hedging facilities, and *it is not expected* that much physical business will be done. *Nevertheless,* a broader base will enable the market to be truly international.

That *is important since* the business in London world sugar futures is concerned with trading outside the protected EEC markets, although many of the *dealers using* the market are centred in London and throughout the Continent.

Mr. David Harcourt, of C. Czarnikow, and chairman of the United Terminal Sugar *Market* Association, says they have been pleasantly surprised by the *interest shown in the new* market, despite the complications involved in trading in the differential, or *conversion,* compared with raw sugar. In other words, trading is confined to the premium (*or possibly discount*) to the cost of raw sugar in the equivalent month, and the two are then added to give the white sugar price.

Trial run

As can be seen since the start *of London daily price quotations* for white sugar from July 1, as a trial run before the opening of the market, the differential between raw and white sugar values can fluctuate widely depending on the varying supply and demand situation in each market. So a *hedge in the raw* market is not always adequate to cover white sugar transactions.

It will be possible to trade in the differentials only, or more likely make a matching transaction in raw sugar too. There will be two calls each day for white sugar differentials—in the morning and late afternoon.

The London authorities have chosen this somewhat complicated method of providing much needed white sugar hedging facilities in view of the need for speed in front of the forthcoming large European beet crop and the time and trouble involved in creating a separate white sugar market that might be viewed as a direct rival to the ill-starred Paris market.

Although there is more sense of urgency now in Paris about devising new commodity market regulations, delays are inevitable. *Most worrying of all,* the dispute that caused the suspension of the Paris sugar market last December has yet to be settled.

Move to avoid Dutch/Danish fishing war

By Michael Van Os

AMSTERDAM, July 14.

OFFICIALS OF the Dutch and Danish *Governments* and representatives from the two fishing industries have agreed to take steps to prevent the current fishing dispute from escalating into the earlier *British/Iceland style* of war.

After several unpleasant incidents in *international* waters earlier this month, Dutch vessels were claimed to have intentionally *damaged the nets of several* Danish vessels. Dutch and Danish commissions agreed after a meeting in Copenhagen that investigations had shown that most incidents were caused by ignorance on the part of both sides about mutual fishing practices.

According to a statement published by the Dutch Ministry of *Agriculture and Fishery in The* Hague before the week-end, the outstanding damage claims from Danish vessel *owners against the* Dutch will be looked into.

Grains outlook still 'bearish'

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

IN SPITE of the well publicised negotiations for the sale of U.S. grains to Russia, the outlook for *the world's grain markets* appears to be relatively bearish.

Even if the Russians do purchase 10m. tons of wheat and feed *grains over the next season,* it will make little difference to the overall stock situation. In any case, the Russians are already believed to have purchased up to 3m. tons of wheat from Canada.

The overall crop position in the *northern hemisphere is good* and the latest U.S. *Department* of Agriculture report predicts that, even allowing for increased domestic usage of between 15 and 20 per cent., end-of-season *stocks* of wheat and maize are likely to be double last year's admittedly low stock levels.

The U.S. Government appears to be determined to avoid a build-up of stocks, as it did under the *Commodity Credit* Corporation, and has at the moment a definite interest in making sales of grain. Hence the fact that negotiations with Russia are public knowledge, *whereas in 1972* they were kept well under cover.

It is also believed that complaints are being made once more about the restrictive nature of the Common Agricultural Policy and the possibly harmful effects of subsidised Community grain exports.

These moves are unlikely to have a direct influence on the British market, which is showing *some signs* of strength after a pretty depressing time since the beginning of the year. The *reason for this is that the* intervention price for wheat and barley is due to rise by about 10 per cent. on August 1 under the terms of the last EEC Review.

There is also a prospective devaluation of the Green £, possibly next week. If the devaluation amounts to 10 per cent., this *will raise* the intervention prices by the same proportion. The trade seems generally to have *accepted* this assessment of the market, and the current price being offered by some sections for British millable wheat of £61.50 for October-December probably reflects this thinking.

Rubber prices move

KUALA LUMPUR, July 14.

PROVISIONS FOR setting up a Malaysian rubber buffer stock *are included in the Rubber Price* Stabilisation Bill designed to ensure necessary co-operation to stabilise prices, said Primary *Industry* Minister Datuk Musa Uitam.

The Bill involved granting *the Government legal powers to* obtain the co-operation of some people in the rubber industry who had failed to co-operate fully with the authorities.

It also contains provisions to implement an international agreement among rubber-producing countries for rubber price stabilisation and to ban the use of latex stimulants, particularly ethrel, as a measure to reduce production.

Reuter

Copper stocks rise ignored

By Our Commodities Editor

ANOTHER LARGE rise in copper stocks was shrugged off again by the London Metal Exchange yesterday. Copper prices, in fact, moved up again, with cash wirebars closing £7.5 higher, at £564.5 a tonne.

The stocks increase of 11,050 tonnes, raising the total warehouse holdings to 317,050 tonnes, was larger than expected. But the market was more influenced by the initial fall in the value of sterling, which encouraged more speculative buying of all metals and copper in particular.

A big rise in zinc stocks—up by 9,500 to 20,000 tonnes—also had little impact on prices.

Coffee pact talks inconclusive

BY RICHARD MOONEY

THE INTERNATIONAL Coffee Council concluded its three-week negotiating session on the form *of a new international agreement* at the week-end with many major points still undecided. However, *delegates were fairly optimistic* that agreement could be reached at the next session, beginning in *London on October 27.*

The main outstanding points are quotas and price ranges, both of which will be basic to the operation of the agreement. An outline agreement was drawn up by a contact group, including producer and consumer representatives, convened towards the end of last week when the talks seemed in danger of becoming bogged down. This document, which delegates now have three *months to consider,* includes broad proposals on quotas but has nothing to say on price *levels, which have not yet been* discussed by the Council.

Though no attempt has been *made to fix quotas for individual* producer countries, the draft plan contains specific proposals on the form they should take. The most novel aspect is the inclusion of a variable element designed to allow export levels to be adapted to constantly changing supply and demand patterns.

The variable part of the total quota, suggested at 20 per cent. in the first year and 30 per cent. in the *second, would be divided* according to stock levels in producing countries. This plan has *the attraction of discouraging the* selling of surplus coffee at low prices but it could prove difficult to operate. The accurate measurement of stocks would present problems, as would the fixing of a date *for measurement* which would be fair to all parties.

Individual countries' shares of the total market are to be left for the producers themselves to work out.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Gained further ground on the London Metal Exchange. The further large rise in the already record warehouse stock figure had already been discounted and prices moved higher from up to £567, helped by chartist buying and short covering. Prices failed to respond to the opening firmness on Comex and modest profit-taking coupled with the downturn in sterling took forward metal down to £583 by the close of the afternoon Kerb. Turnover 18,129 tonnes.

Amalgamated Metal Group reported that in the morning, cash wirebars traded at £561, three months £581 to 78 to 80. Cathodes: three months £569, 68.5. Kerbs: Wirebars: cash £562, 63, three months £581, 80.5 to 80. Cathodes: cash £550. Afternoon: Wirebars: three months £587 to 83. Cathodes: three months £571, 70.5. Kerbs: Wirebars: three months £583 to 83.5.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
Wirebars				
Cash	561-.5	+10.5	564-.5	+7.5
3 months	580-1	+11	583-.5	
Settlem'nt	561.5	+10.5	—	
Cathodes				
Cash	549-.5	+10	551-2	+6.25
3 months	568.5-9	+11.5	570-1	+6.75
Settlem'nt	549.5	+10	—	
U.S. Smt.	—		*60.65.7	

TIN—Little changed on balance. The firmer Penang market over the week-end coupled with the weaker tone of sterling pushed prices higher here from the outset with forward metal trading up to £3,090 at one time. Later, U.S. offerings and the rally in sterling turned prices easier and forward metal ended at £3,062 on the afternoon Kerb. Turnover 715 tonnes.

COMMODITY BROKER

required for recently established aggressive company, active on both U.S. AND LONDON futures markets.

At least 5 years' experience is essential.

Please reply to Box E.6044, Financial Times, 10, Cannon Street, EC4P 4BY.

THE GRIQUALAND EXPLORATION AND FINANCE COMPANY LIMITED

(Incorporated in the Republic of South Africa)

REPORT FOR THE QUARTER ENDED 30TH JUNE 1975

The following are the estimated consolidated results of the Group.

	Quarter ended 30.6.75	Quarter ended 31.3.75	Financial Year to Date
Operating Results			
Development — metres	662	1 356	2 018
Ore milled — tons	115 000	117 000	232 000
Fibre produced — tons	11 662	12 567	24 329
Percentage fibre recovered	10,3	10,7	10,5
Production costs per ton	155,5	141,9	148,6
Selling costs per ton	49,1	47,5	48,4
Revenue per ton	268,7	238,7	255,0
Financial Results	R'000	R'000	R'000
Operating profit	1 202	746	1 948
Profit after tax from non-mining subsidiaries	149	18	167
	1 351	764	2 115
Less: Interest paid	45	90	135
Profit before tax	1 306	674	1 980
Tax	174	71	245
Next profit after tax	1 132	603	1 735
Capital expenditure	261	264	525
Prospecting expenditure	79	48	127

Notes

1. Financial results are based on actual fibre shipments which vary from month to month and do not necessarily bear a pro-rata relationship to production and sales for the year.
2. Interim dividend No. 48 of 20 cents per share was declared on 4th June, 1975.
3. Consolidated results are given as information relating to the company only could be misleading.
4. Production was affected during the quarter due to labour problems. The position is at present normal.
5. Information concerning revenue and selling costs is being published as requested by shareholders.

Johannesburg
14th July, 1975

On behalf of the Board
A. W. S. Schumann
C. H. Walters
Directors

COCOA

COFFEE

SILVER

FREIGHTS

SOYABEAN MEAL

SUGAR

RUBBER

GRAINS

WOOL FUTURES

MEAT/VEGETABLES

JUTE

PRICE CHANGES

Prices per ton unless otherwise stated.

U.S. Markets

Sharp fall in Chicago grains

NEW YORK, July 14.

SILVER finished lower following a late sell-off in the grain markets. Copper advanced despite new record levels in LME warehouse stocks. Cocoa closed limit-up on chartist buying and renewed commission house short-covering. Sugar finished limit-down on trade and Chicago selling. Chicago grains closed sharply lower on commercial hedge selling and profit-taking, which triggered commission sell-stops, Bache reports.

Cocoa—Ghana spot 78 nom. (73 nom.). Bahia spot 61 nom. (59 nom.). July 59.75 (59.80), Sept. 54.85 (52.95), Dec. 51.83, March 51.35, May 51.40, July 51.45, Sept. 51.64, Dec. 52.55 nom. Sales: 1,500.

STOCK EXCHANGE REPORT

Gilt-edged rally but equities weaken on trade figures

Share index down 8.1 at 305.5—Stores lose fresh ground

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Jun. 30	July 10	July 11	July 22
July 14	July 24	July 25	Aug. 5
July 28	Aug. 7	Aug. 8	Aug. 19

"New time" dealings may take place from 9.30 a.m. two business days earlier.

Gilt-edged quickly shook off a disappointing set of June trade figures yesterday. Despite a little uncertainty immediately after the 3.30 p.m. announcement, prices fully held earlier rises extending to ¾ and the Government Securities index improved 0.38 to 60.51.

In contrast, a rally from initial dullness in the equity leaders faltered after the trade figure announcement, and prices were lowered a few pence or so to leave final quotations around the day's lowest. Down 8 points at 11 a.m., the F.T. 30-share index had reduced the earlier deficit to only 4 points at 3 p.m., but ended a net 8.1 off 305.5: this makes a loss of 22.1 over the last three trading days. Sentiment earlier was again undermined by continuing doubts about the Government's measures to combat inflation.

Gilts in demand

Overall, the equity trend was to lower levels, but little stock was on offer, the general reaction mainly reflecting the absence of support. Falls led rises by 3-1 in F.T.-quoted Industrials, while the F.T.-Actuaries All-share index gave up 1.7 per cent. to 135.19. Store shares were again particularly dull on continuing fears about profit margins, the F.T.-actuaries index for the subsection losing 4.3 per cent. to 99.97. Official markings of 6,043 compared with 5,081 last Friday and 4,923 a week ago.

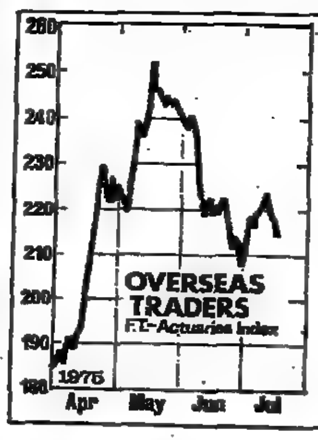
Long-dated British Funds were initially adjusted ¼ lower in line with the terms of the new "tap," Treasury 13¼ per cent., 1997, to be issued at 94½; medium and shorter maturities followed suit. Surveys, still pessimistic on the economic outlook and forecasting a deeper recession, however, failed to deter buyers whose subsequent demands caused the losses to be replaced by gains extending to ¾ ahead of the June Trade figures. The latter brought a slight softening in values but in the "after-hours" business the ground lost was generally recovered. Medium-dated stocks were singled out for above-average attention which prompted dealers to widen dealing margins in selected securities; the absence of a medium "tap," rumoured on Friday, probably encouraged part of the demand. Shorts followed the pattern, although quotations were off the top finally. Sentiment was unaffected by further increases in U.S. Prime rates.

Increased late offerings brought the investment currency premium back rather sharply in thin trading and the close was the day's lowest at 87 per cent., a fall of 3½ points on Friday's level. Yesterday's SE conversion factor was 0.6256 (0.6214).

Banks erratic

After losing about 5 more at the start, Home Banks picked up to show net gains of that amount before slipping back to finish just slightly better on the day after a thin business. Ahead of their respective interim results, due July 25, Lloyds, 207p, after extremes of 200p and 210p, and Midland, 247p, after 240p and 250p, were both 2 harder on the day. Barclays closed similarly firmer at 257p, ahead of interim figures expected on July 31. Bank of Ireland were quoted ex the scrip issue at 310p, up 3½. Among Overseas Banks, Bank of New South Wales sustained a loss of 15 at 585p on domestic advices. Alexanders closed 6½ down at 195p xd in otherwise steady Discount Houses. The four lines of Slater Walker Unsecured Loan stocks improved between 2 to 4 points on the company's proposed exchange offers, the 9½ per cent. 1997/2002 ending the latter amount up at £61½, the Ordinary closed a penny off at 69p, after 67p. F.C. Finance were a dull spot in Hire Purchases at 28p, down 5.

Insurances became decidedly dull late and finished with losses of 6, as in Eagle Star, 112p, and General Accident, 138p. Legal and General lost 4 to 116p and the new nil-paid 5 to 13p premium.



Scattered selling and the absence of support made for dullness in the Brewery sector. Losses of around 4 were marked against Bass, 89½p and Guinness, 111p, while Scottish and Newcastle gave up 3 to 53½p. In contrast, J. W. Cameron, up 2 at 124p, continued firmly on hopes of early news on the company's talks with Ellerman Lines.

Buildings had little to commend them. Taylor Woodrow, 281p, and Geo. Wimpey, 113p, gave up 5 apiece, while Associated Portland Cement finished 4 easier at 133p. Y. J. Lovell eased 3 to 35p on the first-half profits setback. On a more cheerful note, HAT Group managed to close a penny better at 42p on the satisfactory preliminary figures and the scrip issue proposal.

ICI were an outstanding dull amrket at 256p, down 10, partly as a result of some fairly heavy selling of worker shares. Fisons were sold down to 352p, a fall of 15. British Benzol reacted 4 to 22p, but Lankro hardened 2 to 58p xd with the help of a Press mention.

Stores down again

Press comment on the implications of the Government's White Paper on retailers brought fresh selling pressure to bear on Stores, which closed with some sizeable losses following a reasonable business. "Gussies" 'A' stood out at 143p, down 11, following an adverse Press mention, while UDS, 74p, and British Home Stores, 278p, gave up 4 and 7 respectively. Marks and Spencer closed 3½ easier at 94p ex the 100 per cent. scrip issue. Burton Group 'A' receded 3 to 50p, while modest losses were marked against House of Fraser, 71p, and F. W. Woolworth, 42p. W. H. Smith 'A' featured news agencies with a fall of 22 to 308p; J. Menzies gave up 3 at 123p and Martin the Newsagent retreated 4 to 88p. Other dull spots took in Wearwell, 3 off at 52p, and Mothercare, 6 cheaper at 148p. Still overshadowed by the prospect of higher postal charges, Mail Orders suffered fresh losses. Grattan Warehouses reacted 3 to 65p and Empire Stores declined 9 to 85p. Wearra provided a weak feature in Shoes at 9p, down 3, on the loss.

Electrical leaders remained a dull market and closed just a shade above the day's worst. Fresh declines of 4 were registered in EMI, 173p, and BICC, 114p, while GEC closed 3 lower at 123p, after 122p, and Plessey 2 softer at 72p. Thorn Electrical, awaiting to-morrow's preliminary results, retreated further to 146p before finishing a net 6 cheaper at 150p. Elsewhere, Ultra Electronic provided a firm exception, rising to a peak for the year of 32p before ending 3 better on balance at 28p, reflecting support in a market short of stock. On the other hand, Racal Electronics, a recent bright spot on the company's overseas earnings potential, reacted 14 to 289p on profit-taking in a thin market. BSR declined 4 to 66p and Farnell Electronics 3 to 64p, while Pressac shed 2 to 18½p.

Leading Engineerings suffered a late relapse which left losses ranging to 10 in such as Hawker, 256p, and 9 in GKN, at 215p, after 213p. Tube Investments were also affected and lost 8 to 248p, while Vickers gave up 5 at 134p. Secondary issues were dull throughout, being generally immune to mid-day rally elsewhere. Press mention failed to sustain G. Cohen, 2½ off at 56½p, and in further consideration of the proposed "rights" issue, CompAir shed 1½ more to 55½ xd, after 54p. News of the good results and proposed scrip issue only marginally affected Hampson Industries, 8p, but the continued expansion lifted Triplex Foundries 1 to 35p. Lower profits brought Crown House down ½ to 16p.

Foods continued a depressed market, sentiment still being affected by fears about the effects of the Government's economic package on profit margins. Tate and Lyle declined 10 to 216p, while J. Sainsbury, 141p, and Cavenham, 124p, gave up 4 and 5 respectively. Brooke Bond eased 2½ to 34½p, while losses of 2 were marked against Spillers, 34p, Cadbury Schweppes, 44½p, and Unigate, 39p. Associated Dairies were lowered 8 to 152p, while FMC, ahead of to-day's results, shed 2 to 71p. Confectioners had Geo. Bassett 5 easier at 55p and Rowntree Mackintosh 9 cheaper at 123p. Also dull were United Biscuits, 5 off at 90p, and Taverner Rutledge, 6 easier at 52p. Against the trend, G. F. Lovell put on 9 to a 1975 peak of 22p in response to Press comment. Supermarkets gave ground, Tesco easing 2½ to 38p and Wheatsheaf Distribution 4 to 140p.

Ladbroke fell 10 to 141p, while Grand Metropolitan, 61½p and J. Lyons "A," 132p, shed around 2 apiece.

Nat. Carbonising lower

Miscellaneous Industrial leaders lost further ground in light trading. Falls of about 10 were sustained by Reckitt and Colman, 312p, and Pilkington, 200p. Reed International lost 6 to 204p and Bowater 5 to 137p, while Beecham ended 4 easier at 279p, after 275p. Wilkinson Match, 118p, shed 4 in front of to-day's results. Glaxo showed resilience and ended 2 better at 345p, after 335p. Elsewhere, National Carbonising, a weak market of late on the chairman's bearish statement, ended 4 lower at 40p, after 37p. Falls of about 8 were sustained by Johnson Matthey, 270p, Wedgwood, 168p, and Smiths Industries, 96p. However, favourable Press comment prompted gains of around 3 in Mettoy, 24p, and Reed Executive, 89p. Feedex were quoted ex "rights" at 23½p, with the new nil-paid at 12p premium.

A talking point in the Motor market yesterday was the shareholders meeting to consider the Government's scheme of arrangements for British Leyland: the shares closed unaltered at 9½p compared with the expected 10p a share compensation. Elsewhere, prices drifted lower. Losses of 4 were sustained by ERF, 25p xd, Dowty, 99p, and Lucas Industries, 113p, while Rolls-Royce shed 2 to 57p. Dunlop managed to close unaltered at 47p.

Daily Mail "A," a firm market last week on increased profits, slipped back 5 to 163p in Newspapers which generally eased; the exception was Associated, up 2½ at 94p ex-dividend.

Properties gloomy

Leading Properties finished at the day's worst with fresh losses extending to 8 following a moderate business. Land Securities, 172p, and MEPC, 103p, both ended with falls of that amount, while English Property lost 2 to 54½p. Secondary issues also plotted a downward course. Hammerson "A" cheapened 10 to 365p and Great Portland Estates 8 to 210p, while reactions of 7 occurred in Percy Bilton, 125p, Haslemere Estates, 185p, and Lynton Holdings, 78p.

Unlike many other sections, there were buyers about in Oils and opening falls were recouped before sentiment finally succumbed to the surrounding gloom. Newspaper comment on the two leaders was no doubt an influence, helping British Petroleum rally from 525p to 535p before a close of 533p, a net rise of 3. Shell fluctuated between 310p and 305p, setting 2 down on balance at 306p, while investment premium factors took ¾ off Royal Dutch, at £27¾. Secondary issues were often a shade lower, but overseas stocks had the odd firm features. Pan Ocean rose 20 more to 870p, but Associated Australian gave up 10 at 110p.

Overseas Traders continued in easier vein, although James Finlay managed to improve 3 to 138p and Jamaica Sugar a penny to 16p.

Capital shares came on offer in Trusts and Financials, closing falls being substantial. New Throgmorton ended 5 off at 37p, while M. and G. Dual, 98p, and Derby Trust, 88p, gave up 6 and 7 respectively. Ambrose Investment eased 3 to 30p as did Split to 48p. Elsewhere, Dalgety were lowered 6 to 209p and S. Pearson reacted 5 to 125p. Stockholders were quoted ex the scrip issue at 72p.

Shippings closed mixed after a small trade.

Courtaulds were more resilient than of late, ending unaltered at 118p, after extremes of 116p and 120p. Coats Patons were quoted ex scrip issue at 45p, the shares registering little of Friday's institutional attack on the board.

Bats reacted initially but found late support which lifted the price from 308 to a close of 315p, up 3 on the day, but Imps shed 1½ to 63¾p.

Gold Fields Properties fell 6 to 87p in little changed South Africans.

In a generally subdued Mining market, business in Golds was limited by the closure of the Paris bourse but despite some easing in the investment dollar premium prices closed with scattered gains in line with bullion which gained $1 to $166.5 per ounce. Our Gold Mines index rose 3 to 370.8. The first of the June gold mine quarterly reports—which made a rather mixed showing—were not known during market hours.

A feature was the jump of £1 to $17¾ in President Steyn which reflected a U.S. demand. Otherwise, Deelkraal gained 15 to 400p and Loraine were 10 up at 380p. Vaal Reefs eased ¼ to £... in front of the sharp recovery in June quarter profits which has followed the poor performance of the labour-hit March quarter. In Financials RTZ lost 9 to 183p. Charter were 7 off at 182p in front of to-day's London meeting.

Sea Diamond were marked up to 30p before closing 13 to the good at 28p and Consolidated Diamond Mines of South West Africa Preference were called 50p following the bid plans of De Beers, which attracted U.S. buying and rose 7 to 334p. In a quiet Platinum group Potgietersrust rose ... to 234p.

Australian mining issues reflected disappointment at the Labor Party's success in the South Australia elections. The uranium issues were notably depressed with Pancontinental falling from 50 to 460p and Peko-Wallsend losing 15 to 205p. Ocean Resources eased 2 to 21p.

In a dull Tin group, Berjuntai lost 5 to 355p. Berali, however, regained 2½ to 13p on speculative buying after their recent fall.

FINANCIAL TIMES STOCK INDICES

	July 14	July 11	July 10	July 9	July 8	July 7	A year ago
Government Secs.	60.51	60.13	59.64	59.92	59.55	59.28	58.17
Fixed Interest	60.14	60.11	59.64	59.26	58.70	58.65	55.31
Industrial Ordinary	305.5	313.6	324.4	327.6	326.4	317.7	239.4
Gold Mines	370.8	367.8	372.1	380.8	375.8	381.0	343.2
Ord. Div. Yld.	6.37	6.46	6.25	6.20	6.22	6.38	7.64
Earnings Yld. % (full)	20.07	19.09	18.49	18.40	18.16	18.50	20.31
P/E Ratio (net) (*)	7.50	7.49	7.75	7.80	7.77	7.57	6.91
Dealings marked	6,043	5,081	6,885	5,117	4,792	4,923	5,590
Equity turnover £m.	—	61.84	53.17	69.08	54.28	34.70	31.59
Equity bargains total	—	15,785	15,789	14,680	12,697	11,651	9,756

10 a.m. 309.3. 11 a.m. 305.6. Noon 308.2. 1 p.m. 309.1. 2 p.m. ... 3 p.m. 309.5. Latest Index 01-246 8026.

(*) Based on 52 per cent. corporation tax. (b) Nil=7.16.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/5)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.31 (21/5)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	365.3 (5/5)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	280.2 (20/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	July 14	July 11
Daily—		
Gilt-Edged	144.5	157.8
Industrials	117.6	165.7
Speculative	55.0	38.6
Totals	137.5	115.6
5-day Av'ge		
Gilt-Edged	171.1	178.9
Industrials	176.4	168.7
Speculative	49.0	43.1
Totals	122.4	117.5

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS

GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section.

	EQUITY GROUPS / GROUPS & SUB-SECTIONS	Monday, July 14, 1975 Index No.	Day's Change %	Est. Earnings Yield % (Max)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (full Corp. Tax 52%)	Friday July 11 Index No.	Thurs. July 10 Index No.	Wed. July 9 Index No.	Tuesday July 8 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (180)	114.98	−2.1	[illegible]	[illegible]	[illegible]	[illegible]	117.47	119.21	121.01	118.75	98.54	131.26	61.78	208.57	15.70
2	Building Materials (30)	97.24	−2.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	44.27
3	Contracting, Construction (23)	210.32	−2.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	71.48
4	Electricals (16)	219.00	−1.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	84.71
5	Engineering (Heavy) (13)	154.75	−2.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	64.39
6	Engineering (General) (65)	99.04	−2.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	45.48
7	Machine and Other Tools (10)	41.51	−0.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	19.96
8	Miscellaneous (23)	104.97	−1.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	49.66
9	CONSUMER GOODS (DURABLE) (58)	93.32	−2.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Electronics, Radio TV etc. (15)	94.87	−3.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11	Household Goods (15)	129.38	−1.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12	Motors and Distributors (28)	45.74	−1.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13	CONSUMER GOODS (NON-DURABLE) (166)	122.61	−2.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14	Breweries (18)	144.56	−3.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
15	Wines and Spirits (8)	166.84	−3.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16	Entertainment, Catering (16)	142.30	−3.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17	Food Manufacturing (22)	136.17	−3.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
18	Food Retailing (16)	119.04	−3.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
19	Newspapers, Publishing (15)	130.52	−2.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
20	Packaging and Paper (13)	88.57	−2.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	Stores (30)	99.97	−4.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Textiles (21)	130.50	−0.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23	Tobacco (3)	190.58	−0.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24	Toys and Games (6)	41.58	−0.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	OTHER GROUPS (92)															
25	Chemicals (24)	164.18	−2.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Office Equipment (10)	83.97	−0.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27	Shipping (12)	341.88	−1.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
28	Miscellaneous (46)	130.77	−2.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29	INDUSTRIAL GROUP (496)	124.19	−2.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
30	OILS (4)	286.34	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
31	500 SHARE INDEX	137.52	−2.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	FINANCIAL GROUP (100)	125.93	−0.7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	Banks (6)	141.97	+0.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Discount Houses (9)	149.95	−0.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Hire Purchase (5)	88.27	+0.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Insurance (Life) (9)	109.78	−0.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37	Insurance (Composite) (7)	102.98	−0.7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
38	Insurance (Brokers) (8)	197.52	−1.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39	Merchant Banks (19)	61.61	−0.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
40	Property (32)	170.14	−2.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	Miscellaneous (5)	69.85	−1.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Investment Trusts (50)	154.41	−1.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43	ALL-SHARE INDEX (650)	135.19	−1.7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	421.56	−0.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Teas (10)	103.67	−0.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Coppers (3)	372.50	−0.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
47	Mining Finance (11)	187.80	−1.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
48	Tins (8)	94.18	+0.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	Overseas Traders (13)	215.93	−1.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	FIXED INTEREST	Monday, July 14 Index No.	Yield %	Friday July 11	Thurs. July 10	Wed. July 9	Tuesday July 8	Monday July 7	Friday July 4	Thurs. July 3	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	13.93	14.01	13.91	14.10	14.00	14.29	14.26	14.48	15.10				
2	20-yr. Govt. Stocks (6)	50.04	13.01	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	20-yr. Red. Deb. & Loans (15)	47.31	15.57	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Investment Trusts Prefs. (15)	45.47	15.32	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Coml. and Indl. Prefs. (20)	64.35	14.64	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	20	256	−10	302	118
Metal Box "New"	Nil pd.	19	18*	−2	28*	10*
Bowater "New"	Nil pd.	18	19½*	−1½	31*	7½*
GKN	£1	18	215	−9	277	95
Legal & G. "New"	Nil pd.	11	13*	−5	22*	11*
BP	£1	10	533	+3	553	190
Distillers	50p	10	139	−3	150	65½
RTZ	25p	10	183	−9	211	80
Boots	25p	9	187	−7	276	91
GUS "A"	25p	8	143	−11	226	86
"Imps"	25p	8	65½	−1½	68½	32
Natl. Westminster	£1	8	217	+2	275	86
Shell Transport	25p	8	306	−2	343	118
Commercl. Union	25p	7	150	−4	194	72
Land Securities	50p	7	172	−8	251	79½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e). * Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
July 8	July 21	Oct. 8	Oct. 14
July 22	Aug. 4	Oct. 16	Oct. 28
Aug. 5	Aug. 19	Oct. 30	Nov. 11

For rate indications see end of Share Information Service

"Calls" were done in Charter-hall Finance, Amalgamated Investment, Berry Wiggins, Trafalgar House "B" warrants, Lex Service, London Australian and General, Lonrho, Premier Oil, Furness Withy and Cavenham warrants. No "puts" were reported, while "doubles" were arranged in Spillers and Lex Service.

[illegible]

NEW "HIGHS" AND "LOWS" FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new "highs" and "lows" for 1975.

NEW HIGHS (14)

BRITISH FUNDS (1)
Savings 3pc 1965-75
AMERICANS (2)
Bell & Howell Chrysler
BANKS (2)
Bank Hapoalim Brown Shipley
BEERS (1)
Cameron (J. W.)
ELECTRICALS (1)
Ultra Electronic
FOODS (1)
Lovell (G. F.)
INDUSTRIALS (1)
Barr W. Arnold Trust
SOUTH AFRICANS (1)
Hulett's Corp.
OILS (1)
Tesaco 4¾pc Conv.
MINES (2)
Vogels Burma Mines
Wankie Colliery

NEW LOWS (7)

INDUSTRIALS (2)
Black Arrow Poole (T.) Gladstone
SHOES (1)
Wearra
TEXTILES (1)
Jackson & Steeple
MINES (2)
Zambia Copper Inv. NRD
Newmetal

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns. Dominion and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	3	7	16
Plantation	1	6	41
Mines	37	30	77
Recent Issues	3	38	33
Totals	323	[illegible]	1,385

BASE LENDING RATES

A.F.I. International	9½%
Allied Irish Banks Ltd.	9½%
Anglo-Portuguese Bank	10 %
Henry Ansbacher	10½%
Banco de Bilbao	9½%
Banco de Jerez	10½%
Bank of Cyprus	[illegible]
Banque du Rhone S.A.	[illegible]
Barclays Bank	[illegible]
Barnett, Christie Ltd.	[illegible]
Bremar Holdings Ltd.	[illegible]
Brit. Bank of Mid. East	[illegible]
■ Brown Shipley	[illegible]
Cayzer, Bowater Co. Ltd.	[illegible]
Cedar Holdings	[illegible]
■ Charterhouse Japhet	[illegible]
C. E. Coates	[illegible]
Consolidated Credits	[illegible]
Continental Trade Bk.	[illegible]
Co-operative Bank	[illegible]
Copleys Bank	[illegible]
Corinthian Securities	[illegible]
Credit Lyonnais	[illegible]
G. R. Dawes	[illegible]
Duboff Brothers	[illegible]
Duncan Lawrie	[illegible]
English Transcont.	[illegible]
First London Secs.	[illegible]
■ Antony Gibbs	[illegible]
Goode Durrant Trust	[illegible]
Greyhound Guaranty	[illegible]
Grindlays Bank	[illegible]
■ Guinness Mahon	[illegible]
■ Hambros Bank	[illegible]
Hawlin & Partners	[illegible]
■ Hill Samuel	[illegible]
C. Hoare & Co.	[illegible]
Julian S. Hodge	[illegible]
Industrial Bank of Scot.	[illegible]
Jacobs, Kroll	[illegible]
Keyser Ullmann	[illegible]
Kingsnorth Securities	[illegible]
Knowsley & Co. Ltd.	[illegible]
Lloyds Bank	[illegible]
London & European	[illegible]
London Mercantile	[illegible]
Midland Bank	[illegible]
■ Samuel Montagu	[illegible]
■ Morgan Grenfell	[illegible]
National Westminster	[illegible]
Northern Comm. Trust	[illegible]
Norwich General Trust	[illegible]
Portman Guaranty	[illegible]
P. S. Refson & Co.	[illegible]
Rossminster Accept's.	[illegible]
Royal Trust of Canada	[illegible]
Schlesinger Limited	[illegible]
E. S. Schwab	[illegible]
Security Trust Co. Ltd.	[illegible]
Shenley Trust	[illegible]
Standard & Chartered	[illegible]
Sterling Credit	[illegible]
Stewart Salmon & Co.	[illegible]
Thames Guaranty	[illegible]
Trade Dvlopmnt. Bk.	[illegible]
Twentieth Century Bk.	[illegible]
United Bank of Kuwait	[illegible]
Wallace Brothers Bank	[illegible]
Whiteaway Laidlaw	[illegible]
Williams and Glyn's	[illegible]
Yorkshire Bank	[illegible]

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposits 6¾%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6¾% and over £25,000 7%.
‡ Deposit Base Rate 9%.
§ Demand deposit 7%.

MONEY MARKET

Uneven credit supply

Bank of England Minimum Lending Rate 10 per cent. (since May 2, 1975)

Day-to-day credit was expected to be in good supply in the Discount market yesterday, but an uneven flow of funds developed. The authorities sold a moderate amount of Treasury bills to the Discount houses to absorb the surplus, but due to the uneven supply of money some difficulty was experienced in places towards the close.

Bank balances were run down from over the week-end, there was a net market take-up of Treasury bills, and the market was also faced with an increase in the note circulation. These were more than balanced, however, by an excess of Government disbursements over revenue transfers to the Exchequer.

Discount houses paid between 8 per cent. and 9 per cent. for secured call loans in the early part, but balances were found at 6¾ per cent. in places. At the close, however, loans were commanding up to 9¼ per cent. In the inter-bank market overnight loans were in a range of 8 per cent. to 9 per cent.

Short-term fixed-period rates in the various sectors were generally easier. The one month sterling certificate yield was quoted at $9\frac{7}{16}$-$9\frac{5}{16}$ per cent., compared with $9\frac{9}{16}$-$9\frac{7}{16}$ per cent., the two-month at $9\frac{7}{16}$-$9\frac{5}{16}$ per cent., against $9\frac{9}{16}$-$9\frac{7}{16}$ per cent., and 12-month at 10⅜-10¼ per cent., compared with $10\frac{11}{16}$-$10\frac{9}{16}$ per cent.

Rates in the table below are nominal in some cases.

July 14 1975	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance house deposits	Company deposits	Discount market deposits	Treasury bills ‡	Bank bills ‡	Fine trade bills ‡
Overnight	—	8-9	—	—	—	8-9¼	6¾-9⅛	—	—	—
2 days notice	—	—	8⅝	—	—	—	—	—	—	—
7 days or 7 days notice	—	8¾-9⅛	8⅞-9	—	—	—	8¾-9	—	—	—
One month	$9\frac{7}{16}$-$9\frac{5}{16}$	$9\frac{5}{16}$-9¼	9-9¼	10-9½	10¼	—	9	$9\frac{7}{16}$-9⅜	$9\frac{9}{16}$-$9\frac{7}{16}$	9¾-10¼
Two months	$9\frac{7}{16}$-$9\frac{5}{16}$	9⅝-9⅝	—	10-9½	10½	—	$9\frac{5}{16}$-9⅛	$9\frac{5}{16}$	9½-$9\frac{7}{16}$	10-10¼
Three months	$9\frac{9}{16}$-9½	9½-$9\frac{11}{16}$	9⅜-9½	10-9½	10¾-11	—	9⅛-9¼	$9\frac{5}{16}$	$9\frac{9}{16}$-$9\frac{7}{16}$	10-10¼
Six months	10-$9\frac{15}{16}$	9⅞-10	9⅞-10	10-9½	—	—	—	—	9⅞-10	10⅝-11⅛
Nine months	10⅛-10¼	$10\frac{1}{16}$-$10\frac{1}{16}$	—	11-10½	—	—	—	—	—	—
One year	10⅜-10¼	10½-$10\frac{5}{16}$	11⅛-11⅛	11¼-10¾	—	—	—	—	—	—
Two years	—	—	12⅛-12⅜	—	—	—	—	—	—	—

* Local Authority and finance houses seven days' notice; others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13-13¼ per cent.; four years 13¼-14 per cent.; five years 14-14½ per cent. ‡ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 9¼-9⅛ per cent.; four-month trade bills 10¼ per cent. Approximate selling rates for one-month Treasury bills 9½-9⅜ per cent.; two-month 9⅜-9¼ per cent.; three-month 9⅜-9¼ per cent. Approximate selling rate for one-month bank bills 9⅜ per cent.; two-month 9⅜-9¼ per cent.; and three-month 9¼-9⅛ per cent.; one-month trade bills 9¾-10 per cent.; two-month 9¾-10 per cent.; and also three-month 9¾-10 per cent.

Finance House Base Rate (published by the Finance Houses Association): 10½ per cent. from July 1. Clearing Bank Deposit Rates for small sums at seven days' notice 6½ per cent. Clearing Banks Base Rates for lending 9½ per cent. Treasury Bills: Average tender rates of discount 9.0769 per cent.

CORAL INDEX
Close 306-305

I.G. INDEX
GOLD 165-163

INSURANCE BASE RATES

† Atlantic Assurance 11½%
Cannon Assurance 9½%
† Address shown under Insurance and Property Bond table.

AUTHORISED UNIT TRUSTS

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv. 20p	14	......	Gardner (L.)	60	......	Shiloh Spinn.	25	......
Ash Spinning	37	......	Graig Ship. £1	430	......	Sindall (Wm.)	45	......
Bertams	18	......	Hallam Sleigh 10p	8	......			
Brady (G.) 'A'	47	......	Higsons Brew.	83	......			
Bdg'wtr. Est. 50p	£120	−5	I.O.M. Stm. £1	120	......	IRISH		
Clover Croft	35	......	Holt (Jos.) 25p	185	+5			
Craig & Rose £1	330	......	Kleen-e-Ze	24	......	Alliance Gas (£1)	50	......
Dundee Ice £1	298	......	Lovell's Ship £1	139	+5	Carroll (P. J.)	109	......
Dyson (R.A.)	38	......	N'thn. Goldsmith	62	......	Clondalkin	49	......
Ellis & McHdy.	57	......	P.M.A.	35	......	Concrete Prods.	55	......
Evans Fr'k. 10p	36	......	Pearce (C. H.)	60	......	Goodbody (£)	38	......
Evered	16	......	Peel Mills	16	......	Heiton (Hldgs.)	38	......
Fife Forge	47	......	Richards 10p	8	......	Irish Distillers	62	......
Finlay Pkg 5p	[illegible]	......	RobbCaledon 5p	30	......	Irish Wire	48	......
Frost & Reed 50p	88	......	Sayers 12½p	7	......	Jacob	50	......
Gardiner & Sons	11½	......	Sheffield Brick	568	−2	Sunbeam	11	......
			Sheff. Refrshmt.	145	......	Unidare	64	......

WM. MORRISON SUPERMARKETS LIMITED

A year of record sales and profits—Further increase in current year sales.

The 35th Annual General Meeting was held on July 14th in Bradford, Mr. K. D. Morrison (Chairman and Managing Director) presiding. The following are extracts from his circulated statement:

Sales increased by 38% to almost £35 million, while profits before tax, excluding additional depreciation, rose 23% to £1,458,729. The directors are recommending a dividend of 1.6705p per share which is equivalent to a gross dividend of 2.57p per share. Current legislation does not permit the larger distribution which our profits would justify.

TRADING CLIMATE The past year has been one of extreme difficulty from a trading point of view with inflation running at an unprecedented level, supply difficulties and government controls applied in many areas. The food distributive industry continues to be one of the most fiercely competitive commercial activities and has had to absorb ever increasing operating costs. Throughout this period success has only been achieved as a result of the sustained and devoted effort of all members of the staff.

PRODUCTIVITY AND EFFICIENCY The extended central warehouse is now fully operational and I am sure has made a considerable contribution to our sales growth. A searching examination of our product range and stockturn has been undertaken with the result that, despite inflation and higher volume, we have reduced our stock levels since the year end.

STORES DEVELOPMENT I am pleased to report that the 40,000 sq. ft. store which we opened in the new shopping centre at Bramley has proved successful and is operating profitably. During the current year we have embarked on a programme of modernisation in our present stores. This has been welcomed by our customers and there is evidence to support the fact that it has increased our sales. The company has embarked on a programme to build new stores at Hunslet, Rothwell and Horsforth and to construct a new store on an existing Bradford site. All these developments will commence trading during 1976. A number of further sites are under active consideration or negotiation. The Hunslet District Centre which we are developing includes 22 shop units for use by other traders. I am pleased to say that a great deal of interest has been shown here and all available space should be let by opening day which will substantially augment our rental income.

FUTURE PROSPECTS As no new stores are to open in the current financial year I am regarding this year as one of consolidation. In spite of the present gloomy economic climate we are presently enjoying an almost 50% increase in sales and if this can be maintained and costs kept under control I am optimistic that another successful year is in the making.

The Report and Accounts were adopted.

NOTICE

Olivetti International, S. A.

U.S. $15,000,000 6¾%

15 YEAR LOAN OF 1967 UNCONDITIONALLY GUARANTEED BY ING. C. OLIVETTI & C. S.p.A.

Holders are hereby informed that the October 1, 1975 Redemption of U.S. $1,425,000 has been satisfied through purchase in the open market and the balance remaining in circulation after this date is U.S. $9,975,000.

The Chase Manhattan Bank, N.A.
American Paying Agent

July 15, 1975

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99½	90¼	Savings 3pc '65-75‡‡	99½	+1/32	—	9.17
99⅝	94	Exch.6½pc 1976‡‡	99¾	.....	6.61	9.33
97¼	92	Treasury 6½pc 1976‡‡	97 xd	−1/16	6.68	9.17
99	97	Victory 4pc 1976‡‡	99	.....	4.08	—
102	96⅞	Treasury 10½pc 1976‡‡	100	.....	10.48	10.51
95	88⅞	Treasury 6½pc 1977‡‡	94	.....	6.63	10.11
94⅛	86¼	Electric 3pc '74-77	94⅛	+¼	3.19	6.76
103	96⅞	Treasury 11½pc '77‡‡	101½	+¼	11.33	10.65
88	84	Treasury 3pc '77‡‡	87		3.41	8.80
90	84	Transport 4pc '72-77	90⅛	+⅛	4.44	8.58
96	90½	Treasury 9pc 1978‡‡	95	+¼	9.45	11.10
100	96⅝	Treasury 10½pc '78‡‡	98 xd	+⅛	10.68	11.21
87⅝	79	Exchequer 5pc '76-78‡‡	85¼	+⅛	5.83	10.32
103	94	Treasury 11½pc '79‡‡	100	+	11.46	11.56
79¾	71	Treasury 3pc '79‡‡	78	+⅛	3.82	9.34
81	73⅞	Electric 4½pc '74-79	80⅛	+½	5.29	10.07
100	96	Treasury 10½pc '79‡‡	97⅝	+⅛	10.75	11.17
79¾	71	Electric 3½pc '76-79	79¼	+½	4.42	9.43
95	84	Treasury 9pc 1980‡‡	92½	+⅛	9.73	11.09
95	94⅞	Treasury 9½pc '80‡‡	94	.....	10.00	10.91
79	68¼	Treasury 3½pc '77-80	76¾	+¼	4.56	9.51
84½	71	Funding 5¼pc '78-80‡‡	80⅞ xd	+⅛	6.49	10.30
		Five to Fifteen Years				
75½	66⅛	Treasury 3½pc '79-81	74⅞	+⅛	4.66	9.29
91⅛	72⅝	Do 8½pc '80-82‡‡	87 xd	+⅛	9.77	11.37
104⅛	86⅝	Treasury 12pc 1983‡‡	103⅞	+⅛	12.01	11.99
78	58	Funding 5½pc '82-84‡‡	73¾ xd	+½	7.46	10.18
85¼	61⅛	Treasury 8½pc '84-86‡‡	81¼ xd	+½	10.48	11.57
73¼	51⅞	Funding 6½pc '85-87‡‡	70½	+⅛	9.40	11.28
76¼	53	Treasury 7¾pc '85-88‡‡	71½ xd	+⅛	10.80	12.21
46¼	32⅞	Transport 3pc '78-88	46¼	+½	6.50	10.82
55¼	39¾	Treasury 5pc '86-89	54¾	+½	9.34	11.80
		Over Fifteen Years				
75½	53¼	Treasury 8¼pc '87-90‡‡	70½	+¼	11.82	12.83
55¾	41⅛	Funding 5¾pc '87-91‡‡	55¼	+½	10.71	12.56
97½	65⅞	Treasury 12½pc '93‡‡	90¼ xd	+½	13.85	14.00
54½	40½	Funding 6pc 1993‡‡	53¼	+½	11.71	13.06
75¼	54⅛	Treasury 9pc '94‡‡	68⅞	+½	13.35	13.86
34⅞	24¼	Gas 3pc '90-95	33¼	+¾	9.05	11.79
102	75	Treasury 12¾pc '95‡‡	93¼	+⅜	13.99	14.00
71⅛	54¼	Treasury 9pc '92-96‡‡	69¾	+½	13.48	13.92
32¼	24½	Redp. 3pc 1986-96	32¼	+½	9.41	11.81
—	—	Treasury 13¼pc '97	£94½	.....	14.02	14.06
69⅞	53¼	Treasury 8¼pc 1997‡‡	67⅞	+⅛	13.59	13.99
59⅞	40¼	Treasury 6¾pc '95-98‡‡	52⅝	+⅛	13.17	13.81
75⅛	54¼	Treasury 9½pc 1999‡‡	68⅞ xd	+⅜	13.79	14.06
31⅛	22	Funding 3½pc '99-04	29¾ xd	+⅜	11.77	12.64
61⅛	47	Treasury 8pc '02-06‡‡	59⅞	+⅜	13.37	14.01
42⅞	33	Treasury 5½pc '08-12‡‡	42⅛	+¼	13.66	13.79
59⅝	43⅛	Treasury 7¾pc '12-15‡‡	55⅝ xd	+⅛	14.00	14.05

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

AMERICANS

S.E. List Premium 58¼% (based on $2.1810 per £)

CANADIANS

S.E. List Premium 58¼% (based on $2.2352 per £)

Conversion factor 0.6284 (0.6214)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

††INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11¾	780	Durban Deep R1	£10¾	+¼	†Q110c	ϕ	‡
£14	860	E. Rand Prp. R1	£10¼	......	†Q115c	ϕ	‡
105	55	Rand Leases 2½c	60	......	—	—	—
£34½	£22	Randf'tn Est. R2	£28¾	+¼	—	—	—
500	260	West Rand R1	360	+10	‡Q40c	1.3	‡

EASTERN RAND

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	235	Bracken R1	300	......	†Q51c	1.1	10.7
23	13	Daggafontein 50c	17	......	—	—	—
105	60	East Dag R1	73	......	‡Q25c	ϕ	‡
140	140	Grnt. Areas 5c	140¢	......	—	—	—
380	210	Grootvlei 30c	270	−10	‡Q32c	1.1	‡
820	410	Kinross R1	720	+10	†Q50c	1.5	4.4
198	107	Leslie 80c	132	......	†Q22c	1.6	10.4
550	325	Marievale 70c	380	......	‡Q94c	1.1	‡
725	380	S. African Ld. 35c	530	......	‡Q85c	1.2	‡
265	175	Vlakfontein R1	195	......	Q35c	1.3	11.6
£13¾	840	Winkelhaak R1	£11¼	......	†Q94c	1.2	2.8
120	65	Wit. Nigel 25c	90	+2	Q1c	10.9	0.7

FAR WEST RAND

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	680	Blyvoor 25	890	......	Q100c	ϕ	7.0
£21½	£17	Buffels R1	520	......	Q180c	ϕ	5.6
430	293	Deelkraal R0.20	400	+15	—	—	—
£14¾	920	Doornfontein R1	£11¾	......	Q110c	ϕ	5.9
£12¾	725	East Drie R1	£10	−¼	Q65c	ϕ	4.1
£12½	725	Do. Comb. Units	£12	......	—	—	—
450	295	Elsburg R1	360	......	Q15½c	—	7.5
£31	£16	Hartebeest R1	£27	+¼	Q215c	ϕ	5.0
£13¾	815	Kloof Gold R1	£11⅛	−⅛	Q55c	ϕ	3.1
£17¼	875	Libanon R1	£12	......	Q110c	ϕ	5.8
£13¾	960	Southvaal 50c	£11	+¼	Q[illegible]c	ϕ	0.5
480	340	Stilfontein 50c	370	−5	‡Q65c	1.9	‡
£33¾	£21	Vaal Reefs 50c	£29	−⅛	‡Q220c	1.7	‡
£11½	650	Venterspost R1	900	......	Q70c	ϕ	4.9

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8½	3	Burma Mine 17½p	8½	+½	m0.5	—	1.6
65	17	Charterhall 5p	61½	+½	—	—	—
115	75	Colby Mines $1	75ϕ	......	—	—	—
760	360	Cons. Murch. 10c	680	......	‡Q130c	2.2	‡
53½	29½	Lauresia	39½	+1	—	—	—
19	12	NRD $1	12	−1	—	—	—
375	200	Northgate C$1	305	+5	Q55c	1.0	9.2
211	80	R.T.Z.	193	−9	19.9	4.4	4.2
135	47½	Sabina Inds. C$1	80	+1½	—	—	—
76	51	Stanford Mines ||	72	......	—	—	—
£12½	875	Tara Expln. $1	£10½	+⅛	—	—	—
75	38	Yukon Cons C$1	62	......	—	—	—

NOTES

Unless otherwise indicated, prices are in pence, denominations are 25p and dividends are in net percentage terms. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to corporation tax of 52 per cent. and ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ■ "Tap" Stock.
- ∗ Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ☐ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ⇨ Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♦ Regional price.
- ǁ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1973-74. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 19

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

Westland
FOR A WORLD THAT NEEDS HELICOPTERS

FINANCIAL TIMES

Tuesday July 15 1975

Trevor Humphries

The small but vociferous British (Leyland) Shareholders' Association produced scenes of chaos at the company's extra-ordinary meeting yesterday. The Board was submitted to a constant barrage of hostile questions, punctuated by minutes of complete uproar in which no one could be heard. The leaders of the association at one stage invaded the platform. There, Mrs. Muriel Gumble, chairman of the association (centre left in picture), outlined the association's antagonism to the Government scheme for reconstructing the company.

State industry chiefs face sack for breach of £6 limit

BY JOHN BOURNE, LOBBY EDITOR

MR. ERIC VARLEY, the new Industry Secretary, yesterday startled Labour MPs and delighted Tories by saying in the Commons that the chairman of any nationalised industry which exceeded the £6 a week limit on pay increases in negotiations with his workers would be dismissed. He also hinted that if such a breach in the Government's anti-inflation policy occurred, then the entire Board of a nationalised industry might be removed as well.

In Whitehall it was said afterwards that Mr. Varley's emotive answer had been badly phrased, for clearly there was no intention of the Minister summoning Sir Monty or any other chairman and sacking him if he exceeded the pay limit. But it was stressed that any chairman who did so would be held to be responsible for the breach and would be called to account by the Minister.

However, last night Labour MPs close to Mr. Varley said that he wished it to be known that no mistake had been made and that he had meant every word he said in the Commons.

By coincidence, Mr. Varley later attended a meeting at 10 Downing Street with representatives of the chairmen of the nationalised industries to discuss relations between them and the Government. These have become rather strained recently after criticism of Sir Monty Finniston, chairman of the British Steel Corporation, by Mr. Varley's predecessor, Mr. Anthony Wedgwood Benn, for disclosing the corporation's plans for redundancies in the industry.

According to Government sources, Mr. Varley's threat was not raised at last night's meeting, which was attended not only by Sir Monty but by Mr. Richard Marsh (British Railways Board), Mr. Nigel Foulkes (British Airports Authority) and Mr. F. Wood (National Bus Company). Other Ministers present were Mr. Wilson, Mr. Denis Healey, the Chancellor, and Mr. Anthony Crosland, the Environment Secretary.

Clearly both sides recognised that the Finniston-Benn incident could raise general problems between Government and the nationalised industries, and it was therefore agreed that there should be further meetings in the future under the chairmanship of either the Prime Minister or the Chancellor.

Mr. Varley's answers at Commons Question Time will clearly not improve the relations between his department and the nationalised industry chairmen. Indeed, several senior trade union MPs said afterwards they thought the Minister had gone too far in his answer to Mr. Peter Walker, the Conservative M.P. "You should have seen the smirk of pleasure on Mr. Walker's face," commented one of them.

Yesterday, the Prime Minister in a speech to the Committee for Middle East Trade in London, said that the Government's anti-inflation measures showed the total will and determination of the Government to grapple with the problem.

"The measures on which we are resolved go further than any announced by any government since the war," he said. "They go far far beyond any measures taken by the Churchill government when Britain was facing the extremity of war.

"I want those who trade with us, who want to go on trading with us, who want to expand their trade with us, or who want to invest here to go away from here recognising this determination."

Parliament, Page 13

CBI seeks new body to vet pay claims

BY HAROLD BOLTER, INDUSTRIAL EDITOR

LEADERS of the Confederation of British Industry yesterday urged the Prime Minister to set up a new organisation within the Department of Employment to monitor pay claims, intended settlements and wage agreements.

Under the CBI's plan, outlined in a letter from Sir Ralph Bateman, the confederation's president, to Mr. Wilson, a statutory requirement would be placed on companies and unions to report to the Department of Employment.

Sir Ralph made it clear that the confederation does not believe that the Government's £6 a week pay policy will be fully observed unless there is compulsory reporting.

In the CBI's view, the issue has been given added importance because of the Government's decision—taken against the confederation's advice—not to seek legal powers to enforce its pay policy unless it considers that the pay limit is endangered.

In his letter to the Prime Minister, Sir Ralph explained that the reason the CBI felt that the DE should monitor progress on pay claims was that it did not feel that the Confederation itself or the TUC had the necessary facilities to carry out the task.

The CBI's plan for a statutory monitoring body is likely to be opposed by the TUC, although the unions may accept a less formalised and less rigid procedure.

So far the unions have given the impression that to be acceptable any continuing surveillance of the course of wage negotiations would have to be accompanied by similar studies of the progress being made in reducing prices and holding back unemployment.

Carborundum to review approaches for Spode

BY RHYS DAVID

SENIOR executives of the U.S. company, Carborundum, which last month invited offers for its Spode fine china subsidiary in the U.K., are meeting in Niagara Falls this week to review the approaches so far received.

Mr. Paul Thompson, the U.K. director in charge of Spode operations at Stoke-on-Trent, said yesterday that two companies—one British and one American—had expressed continuing strong interest from among the half-dozen who were considered by Spode to be among the most serious prospects.

Mr. Thompson, who left yesterday afternoon for Niagara Falls, said the company hoped negotiations could begin by the end of the month and that possibly another two companies might also by that stage have made their interest known.

Carborundum bought Spode, one of the top names in English bone china with strong export sales, particularly in the U.S., nine years ago as part of a diversification move out of industrial products.

The U.S. concern, the main interests of which are in abrasives and engineering products, has since admitted that selling consumer products — particularly high-prestige goods such as Spode tableware — requires an altogether different approach which it is not best fitted to offer.

"Carborundum did a strategic review of its business at the end of May and it became apparent that the opportunities we had in the next three-five years were considerably greater than the resources available," said Mr. Thompson.

"It also became apparent that there were one or two segments that did not quite fit ino our overall srategic plan because the marketing ethos was quite different. As a result we announced we were prepared to sell the Spode business if a suitable offer came up."

So far, of the major British pottery groups, Royal Doulton Tableware has said it is not interested in Spode, which also includes Hammersley, Royal Windsor, and Barthmann, a German crystal manufacturer.

Wedgwood's intentions are likely to be made clear at the company's annual meeting in London to-morrow but Mr. Arthur Bryan, the chairman, confirmed yesterday that the company was among those that had expressed interest.

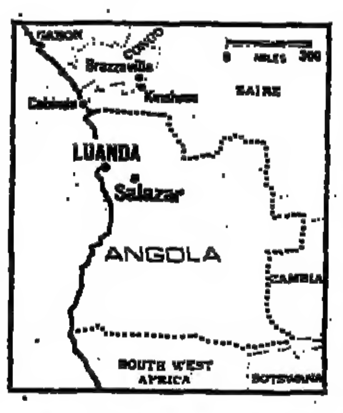
Investment in fine china, Page 16

Leftist guerilla group gains as Angola fighting spreads

BY JON BLAIR

LUANDA, July 14.

SERIOUS FIGHTING among Angola's two largest nationalist movements still continues in the capital of Luanda and the trouble has widened to take in the city of Salazar, 150 miles to the east.



Whoever initiated the fighting, which began again last Wednesday after only a three-week lull, one thing is certain—the Zaire-based Western oriented FNLA has lost much ground to its main rival, the semi-marxist MPLA. Only three of the 15 or so area offices maintained in Luanda by the FNLA still survive, while the MPLA is not known to have lost any. Last night's fighting continued to be heavy in the districts of the FNLA's remaining delegations.

While the short term objective of the MPLA would now appear to be to drive out all FNLA elements from Luanda and also perhaps from Salazar—which is another MPLA stronghold—its longer term strategy is unclear. In the meantime its representatives are boycotting meetings of the National Defence Council on which they are supposed to sit with representatives of the Portuguese and the other two movements. The Council communique issued over the weekend blamed the MPLA for provoking the current situation.

As yet it is uncertain whether Major Melo Antunes, the Portuguese Foreign Minister who arrived here last night, has any chance of saving the country from outright civil war. The Minister was this afternoon closeted with the Portuguese High Commissioner to Angola, General Antonio Silva Cardoso, in the Governor's Palace with, it was believed, other prominent members of the Armed Forces Movement.

But offices of government ministers, who include members of the three liberation movements, were firmly locked and there were no officials available to comment on the Portuguese Minister's mission.

Both Jonas Savimbi, the leader of UNITA (the third movement) and Agostinho Neto, the MPLA leader, are believed to be in Luanda although whether they have yet met Major Antunes is unclear. It is understood that many of the FNLA leaders, following the sacking of its offices, have left Luanda for Zaire, where their movement is based, according to unconfirmed reports.

Although before he left Portugal Major Antunes said that Portugal might have to appeal to "international bodies" to restore order, this is likely to be resisted by the nationalist groups. There are some 24,000 Portuguese troops in Angola but their reinforcement from Portugal seems unlikely in view of the political problems this could cause in Portugal itself.

Although the MPLA has shown that it has the military initiative, and there is even some talk that it might unilaterally declare independence, it remains vulnerable on many counts. Luanda, the source of its strength, is already short of food and could be cut off completely from supplies at any moment.

Reuter reports from Kimshasa: Agostinho Neto, president of the MPLA, has apparently been deposed by Mr. Nito Alves, the leader of the MPLA's armed forces, the Zaire news agency AZAP says.

The news came in a despatch AZAP received from its correspondent in Luanda after a silenceof over 48 hours, the African news agencq said. It had no further details.

Editorial Comment Page 16

EEC re-imposes duties on Portuguese textiles

BY RHYS DAVID

THE EEC countries are to re-impose duties on imports of certain textile goods from Portugal — one of the main low-cost suppliers, because of the disruption being caused in a number of markets, particularly Britain.

The move, which has been requested on a number of occasions by the U.K. textile industry in meetings with the Government, will affect men's and women's outerwear, which will now face a 10.2 per cent customs tariff in Britain, and children's outerwear which will be subject to a 6.8 per cent duty.

Last year Britain imported more than £34m. worth of clothing — roughly 10 per cent of total clothing imports — from Portugal, which has been enjoying duty-free access to the British market as a result of the former link with Britain in the EFTA block. Portuguese clothing exports enter the other EEC countries at a reduced rate of tariff — 40 per cent of the Common Customs Tariff — under an agreement between the original six members of the EEC and the remaining EFTA countries.

The EEC countries, including Britain, have now chosen to invoke a clause which allows duties to be reimposed when imports reach prescribed levels—a move which was not made last year, when the "indicative ceilings" were also reached, because of the delicate political situation in Portugal.

The British Government is understood to have made a high-level decision last year not to press in Brussels for the duties to be reimposed because of the likely effects on employment in Portugal at a time when the country was moving towards the creation of new democratic institutions.

Though the political situation in Portugal is hardly more stable a year later, the British Government—which may be assumed to have played some part in EEC discussions in securing the reimposition of duties as the leading market for Portuguese exports—has been faced with mounting pressure from the U.K. textile industry.

The Government has refused the textile industry's request for across-the-board cuts in imports on the grounds that this would break international agreements and as a result has been pressed by the textile and clothing industry to introduce, at least, the measures which are provided for by agreement.

The Prime Minister, in a statement to the Commons on the textile industry in May, promised that assistance would be taken where disruption was being caused and a further package of measures aimed at assisting the industry is now expected very shortly.

Weather

U.K. TO-DAY

A DEPRESSION over North Scotland will move slowly North East towards Norway. Over England, Wales and Northern Ireland there will be bright periods and occasional showers, especially over northern and central areas.

London, Southern England, S.W., East Anglia, Channel Isles

Sunny periods and occasional showers. Wind S.W. moderate or fresh. Max. 22C (72F).

Midlands, Central Northern and N.E. England, S. Wales

Bright periods and occasional showers, heavy at times, perhaps with thunder. Wind S.W. moderate. Max. 21C (70F).

N. Wales, N.W. England, Lake District, Isle of Man, N. Ireland

Bright periods and occasional showers, heavy at times, with thunder. Wind moderate, westerlay. Max. 19C (66F).

Borders, S.W. Scotland, Argyll

Cloudy at first becoming brighter, with showers later. Wind moderate. Max. 17C (63F).

Edinburgh, Dundee, Central Highlands, N.W. Scotland

Cloudy rain at times, becoming brighter later. Wind moderate. Max. 18C (64F).

Aberdeen, N.E. Scotland, Orkney, Shetland

Cloudy with rain at times and coastal fog patches. Wind moderate. Max. 14C (57F).

Outlook: Showers, chiefly in the North and sunny intervals.

Lighting-up: London 21.42, Manchester 22.01, Glasgow 22.24, Belfast 22.23.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexndria.	S	29	84	Luxembg.	S	28	82
Amstrdm.	F	27	81	Madrid	S	35	95
Athens	F	28	82	Manchstr.	Th	19	66
Bahrain	S	36	97	Melbourne	C	10	50
Barcelona	S	27	81	Milan	S	31	88
Beirut	S	29	84	Montreal	C	27	81
Belfast	C	21	70	Moscow	C	19	66
Belgrade	F	27	81	Munich	S	27	81
Berlin	C	25	77	Newcastle	Th	18	64
Birmghm.	C	20	68	New York	C	25	77
Bristol	F	20	68	Oslo	C	24	75
Brussels	F	30	86	Paris	S	27	81
Budapest	F	27	81	Perth	F	16	61
B. Aires	C	12	54	Prague	S	28	82
Cairo	S	38	100	Reykjavik	C	12	54
Cardiff	R	18	64	Rio de J'o	S	22	72
Cologne	S	30	86	Rome	S	29	84
Copnhagn.	F	21	70	Singapore	S	31	88
Dublin	F	20	68	Stockholm	F	18	64
Edinb'gh	R	17	63	Strasbourg	S	29	84
Frankfurt	S	30	86	Sydney	C	17	63
Geneva	S	28	82	Tehran	S	34	93
Glasgow	R	21	70	Tel Aviv	F	28	82
Helsinki	S	22	72	Tokyo	C	25	77
H. Kong	C	25	77	Toronto	S	23	73
Jo'burg	C	18	64	Vienna	S	29	84
Lisbon	S	27	81	Warsaw	F	26	79
London	C	20	68	Zurich	S	29	84

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	S	27	81	Jersey	S	20	68
Algiers	S	35	95	Las Palms.	S	27	81
Biarritz	S	28	82	Locarno	S	28	82
Blackpool	Th	19	66	Majorca	S	32	90
Bordeaux	F	27	81	Malaga	S	25	77
Boulogne	F	18	64	Malta	S	28	82
Casablnca.	S	26	79	Nairobi	C	22	72
Cape Town	C	15	59	Naples	S	31	88
Corfu	S	31	88	Nassau	C	26	79
Dubrovnik	S	29	84	Nicosia	S	29	84
Faro	S	29	84	Oporto	C	21	70
Florence	S	33	91	Rhodes	S	30	86
Funchal	S	26	79	Salzburg	S	28	82
Gibraltar	S	25	77	Tangier	S	34	93
Guernsey	S	18	64	Tenerife	S	24	75
Innsbruck	S	27	81	Tunis	S	30	86
Inverness	C	18	64	Valencia	S	31	88
I. of Man	F	16	61	Venice	S	29	84
Istanbul	F	27	81				

S—Sunny. F—Fair. C—Cloudy. R—Rain. Th—Thunder.

THE LEX COLUMN

New lamps for old at Slater

Index fell 8.1 to 305.5

Slater Walker thinks that bond prices are too low and that equity prices are too high. That is, at any rate, one interpretation of its proposed scheme to cancel £31.2m. nominal of its 9 to 9½ per cent. unsecured loan stocks, and replace them with £17.1m. of a new 17½ per cent. unsecured loan plus £2.2m. of shares or cash. Over the past 18 months, the group has already bought in nearly £19m. nominal of its unsecured loans. It says that its decision to go for the rest at one swoop in this way partly reflects the fact that its buying pressure has tended to force up the price of the loans against it. But it would hardly have moved now if it thought that bond prices were likely to go lower, and of course it would have had to fork out hard cash to buy more through the market.

By sticking a whopping coupon on the new loan stock (which has been designed to stand at par) the proposals would involve a substantial reduction in the nominal value of Slater's long term debt, and throw up an exceptional book "profit" of £14m. The extra servicing costs would be about £300,000 or so gross, and the group has no plans to increase its borrowing powers after the deal.

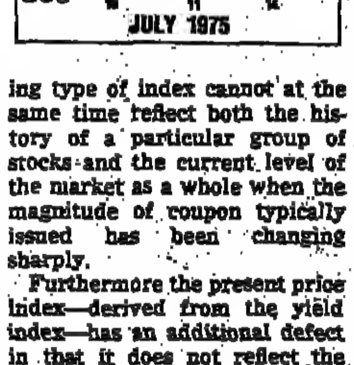
So the advantages to Slater are straightforward. But there is no reason to think that the remaining loan stock holders—who have resisted a willing cash buyer over the past 18 months—are going to fall over themselves to accept this particular package. The equity option is currently worthless, with the shares standing below the cash alternative. The gross annual income gains proposed for the various stocks range from 10.3 to 13.6 per cent. and the proposed capital gains (ranging up to very roughly a tenth) are nothing to shout about. Last night there were signs that some holders might want to press for more.

Gilt indices

Major changes are planned for the fixed interest section of the F.T.-Actuaries table of indices, with the aim of giving a much better coverage of the gilt-edged market than is now available through the 20-year Government stocks index. The Joint Investment Research Committee of the Faculty and the Institute of Actuaries has prepared a paper describing changes which it hopes will take effect from some date in 1976. But the Committee has not yet come to any final conclusions, and it welcomes constructive comments in writing—which should be sent, by August 15, to Mr. R. H. Pain at Capel-Cure Myers.

The 20-year yield index, a weighted average of the gross redemption yield on six stocks, is not satisfactory. At present it is heavily weighted with low coupon gilts which tend to have relatively low yields because they have more appeal for tax-paying investors attracted by the tax free run up to redemption.

Simply changing the stocks would destroy continuity with the past and would not resolve the basic difficulty that the existing type of index cannot at the same time reflect both the history of a particular group of stocks and the current level of the market as a whole when the magnitude of coupon typically issued has been changing sharply.



Furthermore the present price index—derived from the yield index—has an additional defect in that it does not reflect the way that prices move with time towards par. The index does not provide a standard against which to measure portfolio performance.

The new yield index proposals tackle the low/high coupon problem by splitting the list of stocks into low, medium and high coupon issues and then further into short, medium and long lives to redemption. Together with an additional 20-year yield this would give ten indices of gross redemption yields.

The price indices would include a main "all stocks" index and four sector indices for shorts, mediums, longs and irredeemable to the existing F.T./Actuaries equity indices and would reflect the performance of a holder of a uniform percentage of all gilt issues. A figure for interest received since the start of the calendar year would be appended to allow investors to calculate rate of return figures at appropriate tax rates, thus providing a performance comparison.

One question which needs to be debated is whether such a large number of yield indices is really necessary: ten indices to cover 54 stocks seems a little excessive. Furthermore, a new long tap has already appeared with a 13½ per cent. coupon which is outside the suggested ranges; indeed, a super-high coupon group D is threatened, presumably with three more indices. As for the price indices, it is arguable whether rate of return calculations really need to be made possible on a daily basis.

RIT

Rothschild Investment Trust's high liquidity and commitment to gold kept it right at the top of the performance tables throughout 1974, but it has since been rather left behind. Its overall achievement is a 2p rise to 445p in the fully diluted net asset value over the 12 months to the end of March, compared with a marginal fall in the market as a whole. The managers have apparently made few changes in the balance of the portfolio over the year, retaining their faith in the yellow metal with almost no reduction in the holdings of gold shares—still over a quarter of the total securities portfolio—or coin. Liquidity was also little changed over the period from the total of nearly £20m. held at the time of the report in summer 1974.

The only major recent investment has been the purchase for £2.2m. of a 26 per cent. stake in Hume Holdings which has large property interests in the U.K. and Australia as well as various equity holdings. Overall, though, RIT is in rather a betwixt and between position on its future investment strategy—and the uncertainties here explain why, despite the enviable long-term record, the shares are at a modest discount of about a quarter to net worth.

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